

# CITY OF LONG BEACH, CALIFORNIA



## SUMMARY FINANCIAL INFORMATION STATEMENT CONTINUING DISCLOSURE

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

**THE DATE OF THIS INFORMATION STATEMENT IS MARCH 28, 2007**





# CITY OF LONG BEACH

OFFICE OF THE CITY MANAGER

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802 • (562) 570-6711 • FAX (562) 570-6583

GERALD R. MILLER  
CITY MANAGER

March 25, 2007

Dear Investors:

We are pleased to present the City of Long Beach's Summary Financial Information Statement for the fiscal year ending September 30, 2006. This document summarizes a variety of financial documents, including the City's Fiscal Year (FY) 2006 Comprehensive Annual Financial Report, FY 2007 Adopted Budget and other financial records consistent with the continuing disclosure requirements of the City and its related agencies. The accompanying 2006 Report to the Community reflects the successes of the entire city staff in serving the community through tangible and measurable accomplishments. A copy of each of these reports may also be viewed through the City's web site at [www.longbeach.gov](http://www.longbeach.gov).

The most significant change to have occurred in the City is new elected leadership in the Offices of the Mayor, City Council and City Auditor. This City Council is moving forward with proposed revisions to the Charter that may adjust the manner in which the City is governed, if approved by the voters. Aside from these changes, the City continues its fiscal discipline and innovative programs; it has begun to set-aside moderate increases to its reserves, maintaining public safety and strengthening its neighborhoods and infrastructure.

After dramatically reducing its structural budget deficit, the City shifted from a downsizing mode to one that directs the investment of limited City resources to strengthening public safety, neighborhoods, infrastructure and technology. The City's use of optimization studies to maximize cost savings and efficiencies, the development and implementation of its Focus on Results (FOR) comprehensive performance-based management approach, and the cost recovery for services provided have afforded the City this opportunity.

As a result of its efforts to reach youth, the City of Long Beach was again named one of the 100 Best Communities for Young People by America's Promise. Former Secretary of State Colin Powell founded this organization, which established this prestigious award. Long Beach was singled out because of its wide-ranging commitment to its children. Mayor Bob Foster attested to this by stating, "Winning this national designation both times that it has been awarded is a testament to the passion and dedication the City has for nurturing and engaging its youth, who make up nearly 30 percent of the population."

A few examples of recent accomplishments include:

- Long Beach captured a new Enterprise Zone designation, which will enable Long Beach businesses to enjoy California's most powerful business incentives for another 15 years. Almost 72 percent of Long Beach will be in the new Zone compared to 42 percent in the prior Zone;

- In 2006, the Los Angeles Economic Development Corporation (LAEDC) nominated the City of Long Beach as one of the most business friendly cities in Los Angeles County;
- The City received the 2006 Grand Prize for Engaging Youth in City Government from the League of California Cities;
- The City launched its inaugural issue of "Long Beach CityWorks", a quarterly newsletter targeting Long Beach businesses. It features business-oriented City services and how businesses can make use of them;
- The City initiated a new program to help small businesses lower their insurance costs so they can perform work on small, low-risk projects for the City;
- The City opened a new Center for Working Families located in the Renaissance Square facility in Central Long Beach. The Center is a resource for residents to access employment assistance, address barriers to working and provide support systems to working adults;
- The City remodeled its Development Services Center with a renewed focus on customer service, enhanced technology tools, improved information materials and streamlined processes and identified time frames; and
- The City's Department of Parks, Recreation and Marine received the Gold Medal Award for Excellence for Parks and Recreation Management from the National Recreation and Parks Association (NRPA).

We trust that you will find this document useful in your assessment of the City's financial condition. If you have any questions regarding the enclosed Statement or would like additional information about the City, please contact City Treasurer David S. Nakamoto at (562) 570-6845.

We appreciate your consideration and look forward to your feedback.

Sincerely,



GERALD R. MILLER  
CITY MANAGER



MICHAEL A. KILLEBREW  
DIRECTOR OF FINANCIAL MANAGEMENT

The following are excerpts of Mayor Bob Foster's State of the City Address made on January 9, 2007.

## **LONG BEACH**

### **State of the City Address**

Good afternoon.

I am pleased that this, my first State of the City, will be helpful to your efforts to make our community better.

Your organizations, and so many others throughout our City, toil daily to make our community stronger.

Most of you give many hours of service without acclaim, reminding me of Cato's maxim: "I would rather do right without reward than wrong without punishment." I thank you for all that you do.

For many who have watched Long Beach from afar, our City has always been seen as a city of great possibility; grounded in a proud working class heritage and infused by new century industry. Home to outstanding academic institutions and world-class medical facilities nested at the crossroads of commerce.

We're a destination location on the Southern California coast: vibrant and diverse. A City, whose residents can put aside their immediate self-interest to better the whole, 50 square miles of neighborhoods, sewn together into a fabric of our middle class roots; and bound by a common purpose to provide opportunity to improve our lives.

My friends, in 2006 I believe Long Beach began to realize so much of its promise. Unburdened by the fiscal deficits of the past; inspired by our ethnic, racial and economic diversity. Filled with compassion and abundant opportunity. Recognizing that our ascension to exceptional is dependent on what we achieve as a whole, not just in some of our parts.

2006 was the year we again began to invest in programs and projects that demonstrate our shared beliefs as a City: We invested in our libraries, restoring funding for every branch across the City to 2003 levels; we invested in

two new fire stations, with the support of the Redevelopment Agency Board and the sound financial footing of the Downtown and North Redevelopment Project Areas.

We directed nearly \$18 million dollars in the FY 07 budget to jumpstart the repairs to our City's crumbling streets and sidewalks; and more help is on the way.

In addition to on-going commitments by the City and the Redevelopment Agency, the passage of California's infrastructure bond package last November means that the City of Long Beach will get an additional \$15 million over the next three years.

Under direction from Councilman DeLong and the City Council, the Department of Public Works is set to unveil an aggressive multi-year financial infrastructure plan to upgrade streets and sidewalks Citywide over the next 10 years.

2006 saw Long Beach continue to solidify our place as a destination for conventions and elite sporting events.

Our Convention Center has seen bookings consistently rise – and the folks at the Convention and Visitors Bureau are quick to point out that means we're stealing conventions from other cities.

We've taken important steps to dramatically improve our environment and air quality. Our Planning Department is instituting a citywide green building program.

In 2006, the Council approved the 56-acre Sports Park project and we opened three new parks adding 25 acres of green space in some of our city's most densely populated areas.

More recently, the City purchased 23 additional acres along the LA River as part of the Chavez-Drake greenbelt.

Our Parks and Recreation Department was awarded the 2006 National Gold Medal Award for Excellence in Parks and Recreation.

But perhaps the most important step for the environment in Long Beach – and all of Southern California – took place in the Long Beach City Council Chambers, when the Ports of Long Beach and Los Angeles approved the Clean Air Action Plan. The Port of Long Beach continues to be a leader in the world of commerce and the Clean Air Action Plan puts them at the forefront of environmental stewardship.

We have made huge strides in bringing the promise of economic development into our neighborhoods.

- Queen Mary economic development opportunities
- Downtown Visioning efforts
- 120,000 square foot Target store
- Revitalization of the North Atlantic corridor
- Proposed North Village
- Streamlined permitting process
- Focus on new job creation
- Possibility of a production line of the next generation Boeing refueling tanker

It will not be good enough to wait for those chances to come to us; this City must go out and create them through an aggressive economic development program that is multidisciplinary in its approach and proactive in implementation and it is imperative that we succeed in our task of increasing revenue through economic development because difficult fiscal challenges still lie ahead.

While the national crime trends begin to tick upwards after a decade of decline, Long Beach remains a safer city. Our police officers continue to prove that they are among the best trained and most highly sought after by competing local jurisdictions. Our force continues to be among the most effective in the nation.

As a candidate for Mayor, I consistently spoke of the need to create training programs for our city's youth in the construction disciplines that are tied to a real job; and I am pleased today to

announce the implementation of a unique program that has been proven to increase test scores, improve drop-out rates and will lead to the very economic opportunities our City's youth have lacked. In partnership with the Long Beach Unified School District, the Teachers Association of Long Beach, the Los Angeles and Orange County Building and Construction Trades Council and the Association of General Contractors, I am pleased to announce that Long Beach Construction Tech will seek to enroll its first students in September of 2007. Getting this program off the ground will take heavy lifting and unprecedented cooperation; but we owe it to our kids to see it through.

So, we begin 2007 with grand ambitions; filled with boundless optimism for our City's future despite the challenges that lie ahead.

We enter 2007 knowing in our hearts that our advancement as whole City is best assured through the success of every part; North to Downtown; Eastside to the West. Friends, the State of our City is really a reflection of each one of us. If you look across the country you will find the cities that flourish have done so by concentrating on the basics. Let our professed commitment to becoming a safer city, a cleaner city, and a city that provides real economic prosperity to all citizens become our reality in the coming year.

**BOB FOSTER**

**MAYOR, CITY OF LONG BEACH**

**January 9, 2007**

# CITY OF LONG BEACH, CALIFORNIA

## MAYOR AND CITY COUNCIL

Bob Foster  
Mayor

Bonnie Lowenthal, First District  
Vice-Mayor

Suja Lowenthal, Second District

Gary DeLong, Third District

Patrick O'Donnell, Fourth District

Gerrie Schipske, Fifth District

Vacant, Sixth District

Tonia Reyes Uranga, Seventh District

Rae Gabelich, Eighth District

Val Lerch, Ninth District

## CITY OFFICIALS

Gerald R. Miller  
City Manager

Michael A. Killebrew  
Director of Financial Management/CFO

David S. Nakamoto  
City Treasurer

Robert E. Shannon  
City Attorney

Thomas M. Reeves  
City Prosecutor

Laura L. Doud  
City Auditor

Larry Herrera  
City Clerk

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# Annual Summary Financial Information Statement

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## INTRODUCTION

The purpose of this document is to provide information about the City of Long Beach (City) for the fiscal year ending September 30, 2006. The City has collected the information presented below from sources believed to be accurate. The City, however, makes no assurances about the accuracy or reliability of this information. The City does not intend that the enclosed information be relied on as specific offering information in connection with any issuance of bonds by the City. Investors may receive further documentation about the City by requesting a copy of its most recent official statement from the Municipal Securities Rulemaking Board or a National Municipal Securities Information Repository. Requests may also be directed to:

**City Treasurer**  
**City of Long Beach**  
**Department of Financial Management**  
**333 West Ocean Boulevard, 6<sup>th</sup> Floor**  
**Long Beach, CA 90802**  
  
**Phone: (562) 570-6845**  
**Fax: (562) 570-5836**  
**Email: [fm\\_treasury@longbeach.gov](mailto:fm_treasury@longbeach.gov)**

Generally, this document relates to the following issues:

- **Series 2006 Long Beach Bond Finance Authority Lease Revenue Bonds , Series B**  
*(Parks/Open Space Financing Project)*
- **Series 2006 Long Beach Bond Finance Authority Lease Revenue and Refunding Bonds** *(Rainbow Harbor Refinancing Project)*
- **Series 2005A Long Beach Bond Finance Authority Limited Obligation Revenue Bonds Refunding Bonds** *(Assessment District No. 90-3)*
- **Series 2005A & B Harbor Revenue Refunding Bonds**
- **Series 2005A & B Long Beach Bond Finance Authority Revenue Bonds**  
*(Redevelopment, Housing, and Gas Utility Financings)*
- **Series 2005A Long Beach Bond Finance Authority Lease Revenue and Refinancing Bonds** *(Temple & Willow Facility)*
- **Series 2005C Long Beach Bond Finance Authority Tax Allocation Revenue Bonds**  
*(Downtown and North Long Beach Redevelopment Project)*
- **Series 2004 Taxable Variable Rate Demand Revenue Bonds** *(Long Beach Towne Center Site Refinancing)*
- **Series 2004A & B Harbor Revenue Refunding Bonds**

- **Series 2003A (Non-AMT) & B (AMT) Southeast Resource Recovery Facility Authority Lease Revenue Bonds**
- **Series 2003 Long Beach Bond Finance Authority Lease Revenue Bonds** (*Skylinks Golf Course Project*)
- **Series 2002 Long Beach Bond Finance Authority Lease Revenue Bonds** (*Public Safety Facilities Projects*)
- **Series 2002A Long Beach Bond Finance Authority - Tax Allocation Revenue Bonds** (*Downtown, North Long Beach, Poly High and West Beach Redevelopment Project Areas*)
- **Series 2002B Long Beach Bond Finance Authority - Tax Allocation Revenue Bonds** (*Downtown and West Long Beach Industrial Redevelopment Project Areas*)
- **Series 2002A & B Pension Obligation Taxable Refunding Bonds**
- **Series 2002A & B Harbor Revenue Bonds**
- **Series 2001 Long Beach Bond Finance Authority Lease Revenue Refunding Bonds** (*Aquarium of the Pacific Project*)
- **Series 2001 Long Beach Bond Finance Authority Lease Revenue Bonds** (*Plaza Parking Facilities*)
- **Series 2000A Harbor Revenue Bonds**
- **Series 1999 Long Beach Bond Finance Authority Lease Revenue Bonds** (*Long Beach Museum of Art*)
- **Series 1998A Harbor Revenue Refunding Bonds**
- **Series 1997A Long Beach Bond Finance Authority Lease Revenue and Refunding Bonds** (*Civic Center Project*)
- **Series 1997A Water Revenue Refunding Bonds**
- **Series 1995 Marina Refunding Revenue Bonds**
- **Series 1995 Pension Obligation Refunding Bonds**
- **Series 1994 Marina Subordinated Revenue Bonds**
- **Series 1993 Belmont Shore Parking Meter Revenue Bonds**
- **Series 1992 Tax Allocation Revenue Bonds** (*West Long Beach Industrial and Downtown Project*)
- **Series 1993 Certificates of Participation** (*Airport*)

The City also posts general financial information on its Website:

<http://www.longbeach.gov>

This site will be updated periodically and is designed to assist interested parties in learning more about the City and its financial condition.

*The City reserves the right to amend or withdraw this information at any time.  
This document may contain unaudited information and is not intended to create disclosure requirements or a legal obligation to provide any or all items of information.*

# SUMMARY OF THE CITY AND RELATED AGENCIES OUTSTANDING DEBT

The tables below summarize the City's outstanding debt, including final maturities, original par amounts and amounts outstanding. All information is presented as of September 30, 2006.

## REVENUE BONDS

Issue Name	Cusip Number	Final Maturity	Original Par Amount	Amount Outstanding
Series 2005A Long Beach Bond Finance Authority (LBBFA) Limited Obligation Refunding Revenue Bonds (AD 90-3)	542405AD	2015	\$ 2,100,000	\$ 1,500,000
Series 2005A&B Harbor Refunding Revenue Bonds				
Series 2005A (AMT)	542424MA	2025	233,005,000	226,805,000
Series 2005B (Non-AMT)	542424MV5	2018	24,970,000	24,970,000
Series 2005A&B LBBFA Revenue Bonds (Redevelopment, Housing and Gas Utility Financings)			192,432,306	188,662,306
Los Altos\North LB and Gas Utility bonds	54240TAY	2040	76,440,000	73,980,000
Poly High\North LB\West LB supplemental bonds	54240TBU <sup>(1)</sup>	2024	3,397,306	3,397,306
Central LB\Other Housing Projects	54240TAC	2040	112,595,000	111,285,000
Series 2004A Taxable Variable Rate Demand Revenue Bonds (Long Beach Towne Center Site Refinancing Project)	54243RAB	2030	11,595,000	11,295,000
Series 2004A Harbor Revenue Refunding Bonds <sup>(2)</sup>	542424KL	2018	81,365,000	69,480,000
Series 2004B Harbor Revenue Refunding Bonds <sup>(2)</sup>	542424KR	2015	32,045,000	32,045,000
Series 2002A&B Harbor Revenue Bonds	542424JW	2027	300,000,000	274,565,000
Series 2000A Harbor Revenue Bonds	542424JC	2025	275,000,000	248,085,000
Series 1998A Harbor Revenue Bonds	542424FG	2019	206,330,000	155,865,000
Series 1997A Water Revenue Bonds	542440CV	2024	46,945,000	34,675,000
Series 1995 Marina Refunding Revenue Bonds	542426CE	2008	31,725,000	6,280,000
Series 1994 Marina Subordinate Revenue Bonds	n/a <sup>(3)</sup>	2009	1,310,000	370,000
Series 1993 Belmont Shore Parking Meter Revenue Bonds	n/a <sup>(3)</sup>	2012	1,680,000	1,025,000

<sup>(1)</sup> Original Issue Discount ("OID") Bonds have a final maturity value of \$6,340,000

<sup>(2)</sup> Defeased the Series 1993 Harbor Revenue Bonds aggregate principal of \$127,470,000.

<sup>(3)</sup> City holds bonds. Belmont Shore Revenue Bonds restructured in 2001.

**Source:** City of Long Beach - Comprehensive Annual Financial Report - FY2006 Unaudited

# SUMMARY OF THE CITY AND RELATED AGENCIES OUTSTANDING DEBT

## LEASE REVENUE BONDS <sup>(1)</sup>

Issue Name	Cusip Number	Final Maturity	Original Par Amount	Amount Outstanding
Series 2006 LBBFA Lease Revenue and Refunding Bonds (Rainbow Harbor Refinancing Project) <sup>(2)</sup>	542402JJ	2024	\$ 50,785,000	\$ 50,785,000
Series 2005A (LBBFA) Lease Revenue Refunding Bonds (Temple Willow) <sup>(3)</sup>	542402HY	2028	8,145,000	7,830,000
Series 2003A (Non-AMT) & B (AMT) Southeast Resource Recovery Facility Authority Lease Revenue Bonds			120,235,000	107,695,000
Series 2003A (Non-AMT)	841495DE	2018	89,025,000	79,815,000
Series 2003B (AMT)	84149DW	2018	31,210,000	27,880,000
Series 2003 LBBFA Lease Revenue Bonds (Skylinks Golf Course Project)	542402GD	2029	6,890,000	6,350,000
Series 2002 LBBFA Lease Revenue Bonds (Public Safety Facilities)	542402FG	2031	40,915,000	40,105,000
Series 2001 LBBFA Lease Revenue Refunding Bonds (Aquarium of the Pacific Project)	542402ET	2030	129,520,000	129,520,000
Series 2001 LBBFA Lease Revenue Bonds (Plaza Parking Facilities) <sup>(4)</sup>	542402FF	2027	11,500,000	10,740,000
Series 1999 LBBFA Variable Rate Demand Lease Revenue Bonds (Long Beach Museum of Art)	542402EB	2009	3,060,000	3,060,000
Series 1998A & B LBBFA Lease Revenue Refunding Bonds (Temple Willow)	542402CE	2027	29,565,000	25,215,000
Series 1997A LBBFA Lease Revenue Refunding (Civic Center Project)	542402AQ	2027	43,655,000	36,385,000

<sup>(1)</sup> On November 1, 2006 the LBBFA issued a Lease Revenue Bond, 2006 Series B (Parks/Open Space Financing Project).

<sup>(2)</sup> Series 2006 LBBFA Lease Revenue Refunding Bonds (Temple Willow) issued August 2005 to advance refund the Series 1998A LBBFA Revenue Bonds (Temple Willow)

<sup>(3)</sup> Series 2005 LBBFA Lease Revenue Refunding Bonds (Rainbow Harbor) issued August 2006 refunded the Series 1999A LBBFA Revenue Bonds (Rainbow Harbor) and the 1997 Queensway Parking Facility bonds.

<sup>(4)</sup> Series 2001 LBBFA Lease Revenue Bonds (Plaza Parking Facilities) defeased a portion (\$8,755,000 original par) of the Series 1992 Tax Allocation Revenue Bonds (West Long Beach Industrial and Downtown Project)

Source: City of Long Beach - Comprehensive Annual Financial Report - FY2006 Unaudited

# SUMMARY OF THE CITY AND RELATED AGENCIES OUTSTANDING DEBT

## TAX ALLOCATION REVENUE BONDS

Issue Name	Cusip Number	Final Maturity	Original Par Amount	Amount Outstanding
Series 2005C Long Beach Bond Finance Authority (LBBFA) Tax Allocation Revenue Bonds (Downtown and North Long Beach Redevelopment Project Areas) <sup>(1)</sup>	542409CT	2031	\$ 35,045,000	\$ 35,025,000
Downtown Redevelopment Project		2024	7,900,000	7,880,000
North Long Beach Redevelopment Project		2031	27,145,000	27,145,000
Series 2002A (LBBFA) Tax Allocation Revenue Bonds	542409AZ	2031	77,715,000	36,262,600
Downtown Redevelopment Project Area		2024	26,820,000	16,651,000
North Long Beach Redevelopment Project Area		2031	40,290,000	11,170,000
Poly High Redevelopment Project Area		2012	1,710,000	1,120,000
West Beach Redevelopment Project Area		2018	8,895,000	7,321,600
Series 2002B LBBFA Tax Allocation Revenue Bonds (Downtown Redevelopment Project Area) <sup>(2)</sup>	542409BW	2024	47,780,000	42,275,000
(Downtown Redevelopment Project Area)		2022	25,920,000	22,615,000
(West Long Beach Industrial Redevelopment Project Area)		2024	21,860,000	19,660,000
Series 1992 Tax Allocation Revenue Bonds (West Long Beach Industrial and Downtown Project) <sup>(2)</sup>	542414AU		117,490,000	52,900,000
Series 1992 West Long Beach Industrial Tax Allocation Revenue Bonds		2017 <sup>(2)</sup>	36,470,000	16,425,000
Series 1992A Downtown Project Refunding Bonds		2017 <sup>(2)</sup>	81,020,000	36,475,000

<sup>1</sup> Series 2005C LBBFA Tax Allocation Revenue Bonds Issued February 2006 partially defeased the Series 2002 Long Beach Bond Finance Authority Tax Allocation Revenue Bonds.

<sup>(2)</sup> Series 2002B LBBFA Tax Allocation Revenue Bonds Issued December 2002 partially defeased the Series 1992 West Long Beach Allocation Revenue Bonds and the Series 1992A Downtown Project Refunding Bonds. Maturity date revised at partial defeasement of 1992 bonds by the series 2002B LBBFA Tax Allocation Revenue Bonds

Source: City of Long Beach - Comprehensive Annual Financial Report - FY2006 Unaudited



## PENSION OBLIGATION BONDS

Issue Name	Cusip Number	Final Maturity	Original Par Amount	Amount Outstanding
Series 2002A&B Pension Obligation Refunding Taxable Bonds <sup>(1)</sup> :			\$ 87,950,000	\$ 73,250,000
Series 2002A	54242VDD	2021	44,000,000	36,650,000
Series 2002B	54242VDE	2021	43,950,000	36,600,000
Series 1995 Pension Obligation Refunding Bonds <sup>(1)</sup>	54242VAA	2011	108,635,000	16,215,000

<sup>(1)</sup> Series 2002A&B Pension Obligation Refunding Taxable Bonds partially defeased Series 1995 Pension Obligation Refunding Bonds in September 2002. The remaining issue amount after partial defeasement of the series 1995 Pension Obligation Bonds was \$23,920,000. Series 2002A&B Pension Obligation Bonds were remarketed on December 30, 2005 to a fixed rate from auction rate.

Source: City of Long Beach - Comprehensive Annual Financial Report - FY2006 Unaudited

## CERTIFICATES OF PARTICIPATION

Issue Name	Cusip Number	Final Maturity	Original Par Amount	Amount Outstanding
Series 1993 Airport	542410CD	2016	\$16,815,000	\$9,960,000

## TAX AND REVENUE ANTICIPATION NOTES <sup>1</sup>

Issue Name	Cusip Number	Final Maturity	Original Par Amount	Amount Outstanding
2006-2007 Tax & Revenue Anticipation Notes	542399EK2	2007	\$54,000,000	\$54,000,000

<sup>1</sup> The notes were issued on October 10, 2006

## PENSION OBLIGATION BONDS

To take advantage of lower interest rates and more effectively manage employee pension expenditures, the 1995 Pension Obligation Refunding Bonds were partially defeased via the 2002A&B Pension Obligation Refunding Taxable Bond (auction rate securities) issuance.

## SERIES 1995 PENSION OBLIGATION REFUNDING BONDS ANNUAL DEBT SERVICE

Period Ending (September 1)	Principal	Interest	Total Debt Service
2007	\$2,425,000	\$1,151,254	\$3,576,254
2008	2,795,000	982,959	3,777,959
2009	3,200,000	787,588	3,987,588
2010	3,650,000	560,708	4,210,708
2011	4,145,000	300,098	4,445,098
<b>Total</b>	<b>16,215,000</b>	<b>3,782,607</b>	<b>19,997,607</b>

Source: City of Long Beach - Department of Financial Management

**SERIES 2002A&B PENSION OBLIGATION BONDS ANNUAL DEBT SERVICE <sup>(1)</sup>**

<b>Period Ending (September 1)</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2007	\$ 3,405,000	\$ 3,714,049	\$ 7,119,049
2008	3,565,000	3,551,971	7,116,971
2009	3,735,000	3,380,851	7,115,851
2010	3,915,000	3,200,077	7,115,077
2011	4,110,000	3,007,459	7,117,459
2012	4,315,000	2,803,603	7,118,603
2013	4,530,000	2,587,853	7,117,853
2014	4,760,000	2,358,181	7,118,181
2015	5,000,000	2,115,897	7,115,897
2016	5,255,000	1,860,397	7,115,397
2017	5,530,000	1,588,188	7,118,188
2018	5,815,000	1,301,734	7,116,734
2019	6,115,000	1,000,517	7,115,517
2020	6,435,000	683,760	7,118,760
2021	6,765,000	350,427	7,115,427
<b>Total</b>	<b>\$ 73,250,000</b>	<b>\$ 3,504,964</b>	<b>\$ 106,754,964</b>

<sup>(1)</sup> Series 2002A&B Pension Obligation Variable Auction Rate Bonds were remarketed on December 30, 2005 to a fixed rate from auction rate.

**Source:** City of Long Beach - Department of Financial Management

# DIRECT AND OVERLAPPING BONDED DEBT

The table below sets forth the direct and overlapping debt within the City as of September 30, 2006.

As of September 30, 2006

(Numbers in \$000's)

<b>CITY OF LONG BEACH</b>				
<b>Direct</b>	<b>Percent Applicable</b>	<b>Outstanding</b>	<b>Exclusions</b>	<b>Net Outstanding</b>
<b>City of Long Beach</b>				
Lease Revenue Bonds <sup>(1)</sup>	100.000%	\$255,120	\$107,695	\$147,425
Marks-Roos Bonds <sup>(2)</sup>	100.000	\$33,045	\$0	\$33,045
Certificates of Participation	100.000	\$0	\$0	\$0
Pension Obligations	100.000	\$89,465	\$0	\$89,465
<b>Total Direct Debt</b>		<b>\$377,630</b>	<b>\$107,695</b>	<b>\$269,935</b>
<b>OVERLAPPING TAX AND ASSESSMENT DEBT</b>				
Los Angeles County	3.78%	\$8,395	\$8,078	\$317
Los Angeles Community College District	0.048	655,200	654,886	314
Cerritos Community College District	0.399	66,191	65,927	264
Compton Community College District	2.112	38,325	37,516	809
Long Beach Community College District	88.084	98,950	11,811	87,139
Compton Unified School District	0.026	80,330	80,309	21
ABC Unified School District	1.528	54,615	53,780	835
Long Beach Unified School District	88.066	247,115	29,491	217,624
Los Angeles Unified School District	0.059	5,953,365	5,949,853	3,512
Paramount Unified School District	8.367	32,935	30,179	2,756
Los Angeles County Flood Control District	3.773	127,840	123,017	4,823
Metropolitan Water District	1.907	389,565	382,136	7,429
<b>Total Overlapping Tax and Assessment Debt <sup>(3)</sup></b>		<b>\$7,752,826</b>	<b>\$7,426,983</b>	<b>\$325,843</b>
<b>OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>				
Los Angeles County General Fund Obligations	3.77%	\$1,204,559	\$1,159,075	\$45,484
Los Angeles County Pension Obligations	3.766	737,082	709,250	27,832
Los Angeles County Superintendent of Schools COP	3.766	19,817	19,069	748
Long Beach Community College District COP	88.064	34,300	4,094	30,206
Los Angeles Unified School District COP	0.059	414,084	413,840	244
Long Beach Unified School District COP	88.066	58,655	7,000	51,655
Compton Unified School District COP	0.026	29,565	29,558	7
Paramount Unified School District COP	8.367	29,310	26,858	2,452
County Sanitation District No. 1 COP	1.047	26,692	26,413	279
County Sanitation District No. 2 COP	0.152	41,215	41,152	63
County Sanitation District No. 3 COP	84.098	31,317	4,980	26,337
County Sanitation District No. 8 COP	2.228	16,308	15,945	363
County Sanitation District No. 19 COP	37.630	7,424	4,631	2,793
<b>Total Gross Overlapping General Fund Obligation Debt</b>		<b>\$2,650,328</b>	<b>\$2,461,865</b>	<b>\$188,463</b>
<b>Total Gross Overlapping Combined Debt</b>		<b>\$10,403,154</b>	<b>\$9,888,848</b>	<b>\$514,306</b>
Less Los Angeles County Certificates of Participation (100% self-supporting from leasehold revenues on properties in Marina Del Rey)		5,712	5,709	\$3
<b>Total Net Overlapping Combined Debt</b>		<b>\$10,397,442</b>	<b>\$9,883,139</b>	<b>\$514,303</b>
<b>Total Net Direct and Overlapping Combined Debt <sup>(3)</sup></b>		<b>\$10,775,072</b>	<b>\$9,990,834</b>	<b>\$784,238</b>

<sup>(1)</sup> The Lease Revenue Bonds amount is net of the Series 1997A Civic Center Project 1997 Principal \$970,000 payment paid to the trustee on September 15, 2006 as required by the bond resolution for principal due to bondholders on October 1, 2006.

<sup>(2)</sup> The Marks-Roos Bonds amount is net of the Series 1998A&B Temple and Willow Facility Bonds \$625,000 principal payment paid to the trustee on September 15, 2006 as required by the bond resolution for principal due to bondholders on October 1, 2006.

<sup>(3)</sup> Excludes 1915 Act and Mello-Roos Act Bonds. Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and tax allocation bonds and non-bonded capital lease obligations.

Source: City of Long Beach - Comprehensive Annual Financial Report - FY2006 Unaudited and California Municipal Statistics

## POPULATION DATA

The City's population as of January 1, 2006 was 490,166. This figure represents 4.8 percent of the corresponding County figure and 1.3 percent of the corresponding State figure. The City's population increased 28.1 percent during the three decades between 1970 and 2000. The following table illustrates the City's population growth, relative to the population of Los Angeles County and the State of California.

Year	City of Long Beach	County of Los Angeles	State of California
2006	490,166	10,245,572	37,172,015
2005	491,564	10,226,506	36,810,358
2004	487,305	10,107,451	36,271,091
2003	481,026	9,979,361	35,691,442
2002	473,363	9,828,805	35,088,671
2000	459,900	9,487,400	33,753,000
1990	427,200	8,832,500	29,558,000
1980	361,355	7,477,421	23,667,836
1970	358,879	7,041,980	19,971,068

**Sources:** California Department of Finance, Demographic Research Unit and City of Long Beach - Comprehensive Annual Financial Report - FY2006 Unaudited

## EDUCATION INFORMATION

The City serves as the permanent headquarters for the 23-campus California State University and College System. The California University and College System's headquarters is located on a 6.4-acre site in the western portion of the City on land donated by the City. California State University Long Beach continues to be one of the most popular institutions in California. It has built a successful student recruitment program that continues to attract high-achieving students, while maintaining their historical commitment to access. Enrollment in the education system serving the City and its residents for the past five years is presented below:

## SCHOOL ENROLLMENT

Year	Long Beach Unified School District	Long Beach City College <sup>(1)</sup>	California State University Long Beach <sup>(1)</sup>
2006	93,589	26,308	33,344
2005	96,319	25,722	32,756
2004	97,560	28,682	33,363
2003	97,370	32,411	33,745
2002	96,488	29,444	32,693

<sup>(1)</sup> Average Enrollment per Semester.

**Source:** Enrollment figures from published fact sheets for each higher-education institution and school district database known as dataquest.

## MEDIAN PERSONAL INCOME

The median household effective buying income in the City decreased 11.5 percent during the period of 2002 through 2006, while Los Angeles County decreased 1.1 percent and California increased by 3.1 percent. Between 2005 and 2006, the median household effective buying income increased 2.2 percent in the City and State and increased 2.3 percent in the County. The following table shows the yearly median household effective buying income and the total effective buying income for the City, County of Los Angeles and the State of California for the period of 2002 through 2006.

### CITY OF LONG BEACH, COUNTY OF LOS ANGELES AND STATE OF CALIFORNIA PERSONAL INCOME 2002 - 2006

Year	Area	Total Effective Buying Income (\$000's)	Median Household Effective Buying Income
2006	City of Long Beach	\$ 7,875,111	\$ 35,493
	County of Los Angeles	180,131,260	40,335
	State of California	720,803,929	44,890
2005	City of Long Beach	7,753,885	34,722
	County of Los Angeles	177,575,730	39,414
	State of California	705,108,410	43,915
2004	City of Long Beach	7,436,738	33,759
	County of Los Angeles	169,307,295	38,311
	State of California	674,721,020	42,924
2003	City of Long Beach	7,195,690	33,743
	County of Los Angeles	162,413,790	37,983
	State of California	647,879,427	42,484
2002	City of Long Beach	\$8,148,871	40,086
	County of Los Angeles	170,440,432	40,789
	State of California	650,521,407	43,532

Source: Claritas Incorporated

## MAJOR EMPLOYERS

The California Employment Development Department compiles monthly data on the status of employment and unemployment in the Los Angeles – Long Beach labor market (Los Angeles County). As an integral part of the Los Angeles metropolitan area, Long Beach benefits from the wide variety of job opportunities available in neighboring communities throughout the County of Los Angeles.

### SUMMARY OF MAJOR EMPLOYERS AS OF JANUARY 2007

Ranking	Employer	Number of Employees	Ranking	Employer	Number of Employees
1.	Long Beach Unified School District	9,064	9.	Veterans Affairs Medical Center	1,700
2.	The Boeing Company	6,525	10.	St. Mary's Medical Center	1,634
3.	California State University, Long Beach	6,007	11.	CSU Long Beach Foundation	1,600
4.	City of Long Beach	5,854	12.	Direct TV, Inc.	1,126
5.	Long Beach Memorial Medical Center	3,500	13.	Pacific Hospital of Long Beach	800
6.	Verizon	2,000	14.	The Bragg Companies	800
7.	Long Beach City College	2,000	15.	Long Beach Transit	740
8.	U.S. Postal Service	1,900			

Source: City of Long Beach - Comprehensive Annual Financial Report - FY 2006 Unaudited

## EMPLOYMENT BY INDUSTRY

The following table breaks down the average employment within the City of Long Beach by major industry type.

### AVERAGE EMPLOYMENT BY INDUSTRY: JANUARY – MARCH 2006

Industry	Employment	Percent of Total
Services	75,125	44.95%
Government	26,798	16.04%
Manufacturing	17,600	10.53%
Retail Trade	14,487	8.67%
Transportation, Warehousing, Utilities	12,389	7.41%
Finance, Insurance, Real Estate	8,863	5.30%
Construction and Mining	6,068	3.63%
Wholesale Trade	5,726	3.43%
Agriculture, Forestry, Fishing, Hunting	65	0.04%
<b>Total</b>	<b>167,121</b>	<b>100.00%</b>

Source: State of California - Employment Development Department, Labor Market Information Division

## CONSTRUCTION

The City issued building permits valued at \$343 million during fiscal year 2006, up from \$295 million in 2005. Of this total, approximately 71% consisted of residential construction and approximately 29% consisted of non-residential construction. The City's cumulative annual permit values since fiscal year 2002 totals almost \$1.7 billion. The table below shows the building permit values for the last five fiscal years.

### CITY OF LONG BEACH CONSTRUCTION PERMITS

Type of Permit	2006	2005	2004	2003	2002
<b>RESIDENTIAL</b>					
New Single Dwelling	\$ 41,568,987	\$ 27,968,744	\$ 16,824,990	\$ 11,032,511	\$ 35,396,824
New Multi Dwelling	73,148,732	46,356,534	32,401,304	109,533,689	43,115,645
Additions/Alterations	130,081,723	134,878,539	116,133,274	104,586,708	85,067,499
<b>Total Residential</b>	<b>\$ 244,799,442</b>	<b>\$ 209,203,817</b>	<b>\$ 165,359,568</b>	<b>\$ 225,152,908</b>	<b>\$163,579,968</b>
<b>NON-RESIDENTIAL</b>					
New Commercial	\$ 3,847,432	\$ 13,384,839	\$ 9,411,641	\$ 57,229,274	\$ 77,910,384
New Industrial	166,950	2,525,000	7,550,081	5,000,355	10,326,461
Other	12,777,673	8,055,962	15,598,360	31,086,592	42,046,740
Additions/Alterations	81,803,819	62,529,344	68,900,290	100,248,915	57,591,861
<b>Total Non-Residential</b>	<b>\$ 98,595,874</b>	<b>\$ 86,495,145</b>	<b>\$ 101,460,372</b>	<b>\$ 193,565,136</b>	<b>\$187,875,446</b>
<b>Total Valuation</b>	<b>\$ 343,395,316</b>	<b>\$ 295,698,962</b>	<b>\$ 266,819,940</b>	<b>\$ 418,718,044</b>	<b>\$351,455,414</b>

Source: City of Long Beach - Planning and Building Department

## LABOR FORCE

### EMPLOYMENT AND UNEMPLOYMENT ANNUAL AVERAGE STATISTICS

The following table describes labor force, employment and unemployment average statistics from 2002 - 2006.

Year	Area	Civilian Labor Force	Employment	Unemployment	Unemployment Rate
2006	Long Beach <sup>(1)</sup>	234,642	221,842	12,800	5.5%
	California <sup>(1)</sup>	17,773,825	16,916,392	857,433	4.8%
	United States <sup>(2)</sup>	151,428,000	144,427,000	7,001,000	4.6%
2005	Long Beach <sup>(3)</sup>	233,000	218,800	14,200	6.1%
	California <sup>(1)</sup>	17,695,600	16,746,900	948,700	5.4%
	United States <sup>(2)</sup>	149,320,000	141,730,000	7,591,000	5.1%
2004	Long Beach <sup>(3)</sup>	231,300	214,000	17,300	7.5%
	California <sup>(3)</sup>	17,499,600	16,407,900	1,091,700	6.2%
	United States <sup>(2)</sup>	147,401,000	139,252,000	8,149,000	5.5%
2003	Long Beach <sup>(3)</sup>	231,200	212,700	18,500	8.0%
	California <sup>(3)</sup>	17,403,900	16,212,600	1,191,300	6.8%
	United States <sup>(2)</sup>	146,510,000	137,736,000	8,774,000	6.0%
2002	Long Beach	231,100	213,100	18,000	7.8%
	California <sup>(3)</sup>	17,330,700	16,168,200	1,162,500	6.7%
	United States <sup>(2)</sup>	144,863,000	136,485,000	8,378,000	5.8%

<sup>(1)</sup> Preliminary Estimate

<sup>(2)</sup> U.S. Department of Labor - Bureau of Labor Statistics

<sup>(3)</sup> Restated Prior Years

**Source:** State of California - Department of Employment Development, unless specified

## LONG BEACH AIRPORT

Aircraft operation is coordinated by the Federal Aviation Administration (FAA), which controls the movement of all aircraft. The FAA operates the airport's tower and navigation facilities. Modern control systems at the airport include Airport Surveillance Radar, Medium Intensity Approach Lights, Runway Visual Range, Direction Finding, Instrument Landing System, VHF, UHF and other radio communications equipment. The following table summarizes operations at the Long Beach Airport during the period of 2002 to 2006.

### LONG BEACH AIRPORT PASSENGER AND CARGO VOLUME, 2002 - 2006

Year	Passenger Volume	Cargo Volume (LBS.)
2006	2,815,015 <sup>(1)</sup>	102,303,000
2005	3,027,871 <sup>(2)</sup>	108,470,000
2004	2,941,971 <sup>(3)</sup>	113,419,000
2003	2,757,251 <sup>(4)</sup>	115,303,000
2002	1,018,994 <sup>(5)</sup>	112,335,000

<sup>(1)</sup> In fiscal year 2006, 41 air carrier flight slots were allocated: 37 flight slots from four commercial airlines - Alaska, America West, American Airlines and JetBlue; and four flight slots from cargo carriers - Airborne Express, Federal Express and United Parcel Service (UPS). In addition, America West operated one commuter flight, while Delta/SkyWest operated four commuter flight slots, out of the approved 25 commuter carrier flight slots. American Airlines left the Long Beach Airport on April 2, 2006.

<sup>(2)</sup> All 41 air carrier flight slots were used: 36 flight slots from four commercial airlines - Alaska, America West, American and JetBlue; and five slots from cargo carriers - Airborne Express, Federal Express and United Parcel Service (UPS). In addition, America West operated three commuter flights, out of the approved 25 commuter carrier flight slots.

<sup>(3)</sup> All 41 Carrier slots used: 36 Flights from four commercial airlines - Jet Blue, American, America West and Alaska; and five slots from cargo carriers - Airborne Express, Federal Express and UPS.

<sup>(4)</sup> The total number of daily flights for Jet Blue, American and America West airlines increased from 32 to 35. Horizon started operations in October 2002 with three commuter flights.

<sup>(5)</sup> The total number of daily flights for Jet Blue, American and Horizon airlines increased from 11 to 32.

**Source:** City of Long Beach - Comprehensive Annual Financial Report - FY2006 Unaudited

## GENERAL FUND REVENUES AND EXPENDITURES

The following table describes General Fund revenues and expenditures by source and use, for the last five fiscal years.

(Numbers in \$000's)

Fiscal Year ended September 30	2006 <sup>(1)</sup>	2005 <sup>(2)</sup>	2004	2003	2002
<b>REVENUES</b>					
Property Taxes	\$ 61,823	\$ 60,742	\$ 55,677	\$ 53,331	\$ 50,274
Other Taxes	134,309 <sup>(3)</sup>	126,389 <sup>(3)</sup>	122,917	127,843	124,529
Licenses and Permits	23,143	18,096	17,161	15,734	15,802
Fines and Forfeitures	16,387	14,738	13,570	11,017	11,448
Use of Money & Property	17,707	15,998	15,416	15,952	17,892
From Other Agencies	38,652	41,616	31,403	43,351	49,952
Charges for Services	26,980	44,621	43,854	42,294	39,321
Other	6,476	5,868	3,182	3,451	3,354
<b>Total Revenue</b>	<b>\$ 325,477</b>	<b>\$ 328,068</b>	<b>\$ 303,180</b>	<b>\$ 312,973</b>	<b>\$ 312,572</b>
<b>EXPENDITURES CURRENT</b>					
Legislative and Legal	12,463	10,037	10,359	9,588	10,985
General Government	14,515	24,603	22,848	24,072	29,771
Public Safety	247,102	249,955	223,891	235,444	228,789
Public Health	4,332	4,742	4,749	4,428	4,419
Community & Cultural	43,304	41,091	42,665	42,313	43,700
Public Works	26,406	30,509	30,105	30,710	31,786
<b>Total Current Expenditures</b>	<b>\$ 348,122</b>	<b>\$ 360,937</b>	<b>\$ 334,617</b>	<b>\$ 346,555</b>	<b>\$ 349,450</b>
<b>DEBT SERVICE</b>					
Principal	6,136	5,892	5,575	4,037 <sup>(4)</sup>	718
Interest	5,374	6,696	6,088	6,443	3,678
<b>Total Expenditures</b>	<b>\$ 359,632</b>	<b>\$ 373,525</b>	<b>\$ 346,280</b>	<b>\$ 357,035</b>	<b>\$ 353,846</b>
Excess of Revenues Over (Under) Expenditure	(34,155)	(45,457)	(43,100)	(44,062)	(41,274)
<b>Other Financing Sources (Uses)</b>					
Proceeds from Other Long-Term Obligations	2,902	-	15,910	3,643	24,337
Payment to Refunded Bond Escrow Agent	-	-	(10,729)	-	-
Advances Change in Principal	1,615	1,757	1,663	2,432	2,602
Operating Transfers In	34,590	38,892	46,865	49,283	27,812
Operating Transfers Out	(7,741)	(6,485)	(10,323)	(16,726)	(17,081)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 31,366</b>	<b>\$ 34,164</b>	<b>\$ 43,386</b>	<b>\$ 38,632</b>	<b>\$ 37,670</b>
Excess of Revenues Over (Under) Expenditures and Other Uses	(2,789)	(11,293)	286	(5,430)	(3,604)
<b>Fund Balance - October 1</b>	<b>150,229</b>	<b>161,522</b>	<b>161,236</b>	<b>166,666</b>	<b>170,270 <sup>(5)</sup></b>
<b>Fund Balance - September 30</b>	<b>\$ 147,440 <sup>(6)</sup></b>	<b>\$ 150,229</b>	<b>\$ 161,522</b>	<b>\$ 161,236</b>	<b>\$ 166,666</b>

<sup>(1)</sup> City's Comprehensive Annual Financial Report FY2006 Unaudited Statement of Revenues, Expenditures and Changes in Fund Balances.

<sup>(2)</sup> Data updated to reflect audited FY2005 Comprehensive Annual Financial Report (CAFR) figures.

<sup>(3)</sup> Includes sales and use tax, utility users tax, other taxes and property tax in lieu of sales and use tax from Proposition 57.

<sup>(4)</sup> Debt Service increased \$3.3 million in FY2003 mainly due to leases for police helicopters and Emergency Communications and Operations Center (ECOC) equipment.

<sup>(5)</sup> Beginning fund balance has been restated in FY2002. For details, see note 2, summary of significant accounting policies, governmental funds, in

FY2002 Comprehensive Annual Financial Report.

<sup>(6)</sup> Of the \$147.4 million FY2006 actual ending Fund Balance, \$111.9 million is reserved and \$35.5 million is unreserved.

**Source:** City of Long Beach - Comprehensive Annual Financial Report - Preliminary FY2006 Unaudited



## GENERAL FUND BUDGET

The following table describes the City's fiscal year 2005-06 adopted budget, fiscal year 2005-06 actual and fiscal year 2006-07 adopted budget.

*Fiscal Year Ending September 30*

*(Numbers in \$000's)*

<b>Fiscal Year</b>	<b>Adopted 06-07 <sup>(1)</sup></b>	<b>Actual 05-06 <sup>(2)</sup></b>	<b>Budget 05-06 <sup>(3)</sup></b>
<b>REVENUES</b>			
Property Taxes	\$ 72,943	\$ 61,823	\$ 63,528
Other Taxes <sup>(4)</sup>	147,492	134,309	135,218
Licenses and Permits	13,154	23,143	20,363
Fines and Forfeitures	16,650	16,387	14,391
Use of Money & Property	20,068	17,707	22,006
From Other Agencies	44,316	38,652	30,860
Charge for Services	23,364	26,980	25,481
Other	13,623	6,476	13,128
<b>Total Revenue</b>	<b>\$ 351,610</b>	<b>\$ 325,477</b>	<b>\$ 324,975</b>
<b>EXPENDITURE CURRENT</b>			
Legislative and Legal	12,552	12,582	13,406
General Government	6,913	14,838	9,745
Public Safety	248,677	247,321	249,368
Public Health	4,902	4,360	4,367
Community & Cultural	47,161	43,778	44,760
Public Works	31,882	26,516	33,918
<b>Total Current Expenditures</b>	<b>\$ 352,087</b>	<b>\$ 349,395</b>	<b>\$ 355,564</b>
<b>DEBT SERVICE</b>			
Principal	6,311	6,136	6,217
Interest	7,274	5,374	6,184
<b>Total Expenditures</b>	<b>365,672</b>	<b>360,905</b>	<b>367,965</b>
Excess of Revenues Over (Under) Expenditures	(14,062)	(35,428)	(42,990)
Proceeds from Other Long-Term Obligations	-	2,902	2,902
Advances Change in Principal	-	1,615	
Operating Transfers In	25,796	34,590	35,571
Operating Transfers Out	(13,006)	(7,741)	(955)
<b>Total Other Financing Sources (Uses)</b>	<b>12,790</b>	<b>31,366</b>	<b>37,518</b>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,272)	(4,062)	(5,472)
Beginning Fund Balance - October 1	147,440	148,515	148,515
Encumbrance, Beginning of the Year	1,274	1,714	1,714
<b>Ending Fund Balance - September 30</b>	<b>\$ 147,442</b>	<b>\$ 146,167</b>	<b>\$ 144,757</b>

<sup>(1)</sup> Budget classifications do not reflect reclassifications done for comprehensive annual financial report preparation.

<sup>(2)</sup> Actuals based on General Fund Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual figures (Non-GAAP budgetary basis).

<sup>(3)</sup> These figures are the final adopted FY2006 Budget, which includes budget adjustments and reclassifications. The beginning fund balance shown on a budgetary basis.

<sup>(4)</sup> Includes sales and use tax, utility users tax, other taxes and property tax in lieu of sales and use tax from Proposition 57. Note that property tax in lieu of sales and use tax is categorized in the FY2007 Adopted Budget as revenues From Other Agencies.

**Source:** City of Long Beach - Comprehensive Annual Financial Report - Preliminary FY2006 Unaudited

## GENERAL FUND BALANCE SHEET

(Numbers in \$000's)

Fiscal Year Ending September 30	2006	2005 <sup>(1)</sup>	2004	2003	2002 <sup>(2)</sup>
<b>ASSETS</b>					
Pooled Cash and Cash Equivalents	\$ 40,164	\$ 28,670	\$ 33,547	\$ 42,121	\$ 41,659
Cash - Non-Pooled and Cash Equivalents <sup>(1)</sup>	5,629 <sup>(3)</sup>	35,385	35,611	43,960	31,602
Investment Interest Receivable	20	20	21	21	21
Property Taxes Receivable	3,452	7,353	7,903	7,949	8,161
Accounts Receivable	24,661	20,260	16,998	14,117	11,303
Allowances for Uncollectible Taxes & Accounts Receivable	(20,437)	(17,080)	(14,554)	(12,214)	(9,307)
Notes & Loans Receivable <sup>(1)</sup>	2,266	2,370	2,413	2,413	2,413
Due from Other Governments	16,449	15,835	15,854	22,027	19,406
Due from Other Funds	12,155	21,341	20,284	4,269	5,632
Advances to Other Funds	100,924	100,455	100,531	99,868	95,253
Allowances for Advances to Other Funds	-	-	-	-	-
Capital Lease Receivable	-	-	-	-	-
Inventory	-	-	62	61	65
Other Assets	13	6	6	6	-
<b>Total Assets</b>	<b>\$ 185,296</b>	<b>\$ 214,615</b>	<b>\$ 218,676</b>	<b>\$ 224,598</b>	<b>\$ 206,208</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>Liabilities</b>					
Accounts Payable	7,329	7,833	6,454	7,404	6,192
Accrued Wages Payable	8,099	7,157	6,943	5,299	4,694
Accrued Interest Payable	-	900	437	826	371
Tax and Revenue Anticipation Notes Payable	-	30,000	30,000	33,000	13,500
Due to Other Funds	3,821	3,346	2,898	1,388	1,182
Advances From Other Funds	8,114 <sup>(5)</sup>	4,054	-	-	-
Deferred Revenues	7,609	8,054	8,191	12,319	9,672
Deposits and Collections Held in Trust <sup>(1)</sup>	2,888	3,043	2,231	3,126	3,931
<b>Total Liabilities</b>	<b>\$ 37,860</b>	<b>\$ 64,387</b>	<b>\$ 57,154</b>	<b>\$ 63,362</b>	<b>\$ 39,542</b>
<b>FUND BALANCE (RESERVED FOR)</b>					
Noncurrent Receivables	100,924	100,455	100,531	99,868	95,259 <sup>(4)</sup>
Asset Seizure Money	2,464	2,762	2,607	2,828	5,396
Encumbrances	1,274	1,714	2,762	1,279	1,858
Future Advances to Other Funds	1,486	1,486	1,486	1,486	1,486
Debt Service	5,812	5,407	5,672	7,074	7,928
Future Capital Projects and Special Programs <sup>(1)</sup>	-	-	948	3,109	11,177
<b>Total Reserved Fund Balance</b>	<b>\$ 111,960</b>	<b>\$ 111,824</b>	<b>\$ 114,006</b>	<b>\$ 115,644</b>	<b>\$ 123,104</b>
<b>FUND BALANCE (UNRESERVED FOR)</b>					
Emergency Contingency	34,396	34,156	33,756	32,946	32,946
Subsequent Years' Appropriations	6,696	5,802	11,260	10,146	8,116
Undesignated	(5,614) <sup>(5)</sup>	(1,554)	2,500	2,500	2,500
<b>Total Unreserved Fund Balance</b>	<b>\$ 35,478</b>	<b>\$ 38,404</b>	<b>\$ 47,516</b>	<b>\$ 45,592</b>	<b>\$ 43,562</b>
<b>Total Fund Balances</b>	<b>\$ 147,436</b>	<b>\$ 150,228</b>	<b>\$ 161,522</b>	<b>\$ 161,236</b>	<b>\$ 166,666</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 185,298</b>	<b>\$ 214,615</b>	<b>\$ 218,676</b>	<b>\$ 224,598</b>	<b>\$ 206,208</b>

<sup>(1)</sup> Data updated to reflect audited FY2005 Comprehensive Annual Financial Report (CAFR) figures.

<sup>(2)</sup> Line items modified in final FY2002 Comprehensive Annual Financial Report: Cash equivalents, notes receivable, deposits and special programs added in FY2002.

<sup>(3)</sup> Decrease in FY2006 is due to Tax and Revenue Anticipation Note not being issued.

<sup>(4)</sup> The fund balance increase for "Reserved for other non-current receivables," represents reserve fund balance not available for current obligations since the debt has no specified repayment date.

<sup>(5)</sup> Undesignated funds of (\$5.6 million) represent the net of an annual \$2.5 million reserve, a \$8.1 million related to a long-term advance from the Subsidence Fund to be repaid over 20 years.

**Source:** City of Long Beach - Comprehensive Annual Financial Report - Preliminary FY2006 Unaudited

## ASSESSED VALUATIONS AND TAX COLLECTION RECORD

The City uses the County of Los Angeles for tax assessment and collection. City taxes are assessed and collected at the same time and on the same tax rolls as County, school and special district taxes. Summarized below is the assessed valuation and tax collection record of the City since 2002.

(Numbers in \$000's)

Fiscal Year <sup>(1)</sup> Ending June 30	Estimated Full Market Valuation	Valuation For Revenue Purposes	Total City Levy	Total Current Tax Levy Collections	Percent of Levy Collected
2006	\$ 35,519,905	\$ 34,603,448	\$ 139,172	\$ 130,147	93.5%
2005	32,069,712	31,391,249	116,299	113,610	97.7%
2004	29,613,229	28,830,028	100,538	99,745	99.2%
2003 <sup>(2)</sup>	26,454,417	25,731,995	83,222	85,699 <sup>(2)</sup>	103.0% <sup>(2)</sup>
2002	24,989,993	24,381,507	77,731	77,587	99.8%

<sup>(1)</sup> Based on Los Angeles County's Fiscal Year Ending June 30.

<sup>(2)</sup> FY2003 Total Current Tax Levy Collections includes approximately \$2.87 million in unsecured redevelopment tax increment receipts as a result of a secured parcel audit for the entire city and its redevelopment areas for FY1998 through FY2002. The audit corrected misallocated tax rate areas.

**Source:** City of Long Beach - Comprehensive Annual Financial Report - FY2006 Unaudited

## TAX REVENUE BY SOURCE

The following table shows the tax revenues received by the City, by source.

<i>Fiscal Year Ending September 30</i>	<i>(Numbers in \$000's)</i>				
Source	2006	2005 <sup>(1)</sup>	2004	2003	2002
Property Tax <sup>(2)</sup>	\$ 141,081	\$ 124,463	\$ 107,825	\$ 87,264 <sup>(3)</sup>	\$ 80,621
Utility Users Tax <sup>(4)</sup>	40,637	39,216	45,339	50,883	55,838
Sales & Use Tax	51,557 <sup>(5)</sup>	48,216 <sup>(5)</sup>	42,383	44,863	41,246
Transient Occupancy Tax	16,548	15,527	14,089	13,134	12,447
Business License	10,345	9,879	9,284	8,430	8,067
Franchises	18,501	16,670	14,460	13,363	9,976
Oil Production	2,245	2,335	2,306	2,245	2,257
Other <sup>(6)</sup>	10,653	6,826	6,478	5,670	5,516
<b>Total <sup>(7)</sup></b>	<b>\$ 291,567</b>	<b>\$ 263,132</b>	<b>\$ 242,164</b>	<b>\$ 225,852</b>	<b>\$ 215,968</b>

<sup>(1)</sup> Data updated to reflect audited FY2005 Comprehensive Annual Financial Report (CAFR) figures.

<sup>(2)</sup> Includes delinquent tax collections and supplemental or redemption revenue.

<sup>(3)</sup> Includes parcel audit results of misallocated tax rate areas.

<sup>(4)</sup> Utility users tax revenue decrease is due to measure J - A voter initiative that lowered this tax from 10% to 5%. The reduction took place over 5 years starting in FY2001 and reduced the rate 1% a year until FY2005 when the rate went to 5% and remains. The FY2002, FY2003, FY2004 and FY2005 figures are net of refunds and adjustments.

<sup>(5)</sup> Includes property tax in lieu of sales and use tax as provided in Proposition 57.

<sup>(6)</sup> Includes real property transfer, special parking, miscellaneous taxes, and transfers in lieu of taxes.

<sup>(7)</sup> Tax revenues by source include all governmental fund types (general, special revenue, and capital projects funds), including property tax and transient occupancy tax, also referred to as hotel tax, for the Long Beach Redevelopment Agency, in accordance with generally accepted accounting principles. The Long Beach Housing Authority had no tax revenues in FY2001 through FY2006.

**Source:** City of Long Beach - Comprehensive Annual Financial Report - FY2006 Unaudited

## PROPERTY TAX RATES

The following chart summarizes all property tax rates for all overlapping governments within the City.

### ALL OVERLAPPING GOVERNMENTS (PER \$100 OF ASSESSED VALUE) FISCAL YEARS 2002 - 2006

Fiscal Year Ended June 30 <sup>(1)</sup>	City Direct Rate	Los Angeles County	Unified Schools	Community Colleges	Special Districts	Total
2006	\$1.000000	\$0.000795	\$0.040750	\$0.018569	\$0.005249	\$1.065363
2005 <sup>(2)</sup>	1.000000	0.000923	0.046671	0.012394	0.006045	1.066033
2004	1.000000	0.000992	0.042849	0.011705	0.006562	1.062108
2003 <sup>(2)</sup>	1.000000	0.001000	0.035190	-	0.042800	1.078990
2002	1.000000	0.001128	0.028784	-	0.008773	1.038685

<sup>(1)</sup> Based on Los Angeles County's Fiscal Year Ending June 30.

<sup>(2)</sup> Restated prior year.

Source: City of Long Beach - Comprehensive Annual Financial Report - FY2006 Unaudited

## PRINCIPAL PROPERTY TAXPAYERS

A summary of the City's principal secured property taxpayers is presented below.

### TOP TAXPAYERS AS OF SEPTEMBER 30, 2006

Taxpayer	Industry	FY2005-06 Assessed Valuation (000's) <sup>(1)</sup>	Percentage of Total Net Assessed Valuation <sup>(2)</sup>
1. The Boeing Company	Industry	\$342,580	1.07%
2. AES Alamos LLC	Power Plant	288,300	0.90%
3. GREIT One World Trade Center	Office Building	115,921	0.36%
4. Camden Realty Inc.	Apartments	98,399	0.31%
5. Trizecahn Colony Square GP LLP	Office Building	85,300	0.27%
6. 350 Ocean Garage LLC	Commercial	72,169	0.23%
7. Coventry Long Beach Plaza LLC	Shopping Center	71,482	0.22%
8. 1900 Ocean Partners Holdings LLC et al.	Apartments	70,487	0.22%
9. Arco Terminal Services Corp.	Industrial	68,736	0.21%
10. Hughes Aircraft Company	Industrial	64,431	0.20%
<b>Total</b>		<b>\$1,277,805</b>	<b>3.99%</b>

<sup>(1)</sup> Local secured assessed valuation. Excludes mineral rights, possessory interest and unsecured assessed valuation.

<sup>(2)</sup> 2005-06 Local Secured Assessed Valuation: \$31,999,865,740.

Source: City of Long Beach - Comprehensive Annual Financial Report - FY2006 Unaudited, California Municipal Statistics, Inc.

## TAXABLE TRANSACTIONS AND SALES TAX RATE

The following tables illustrate the City's annual volume of taxable transactions during the five-year period of 2002 – 2006 and current sales tax rate.

### TAXABLE TRANSACTIONS (\$000's)

<b>Fiscal Year Ending September 30</b>	<b>2006</b>	<b>2005</b>	<b>2004 <sup>(1)</sup></b>	<b>2003 <sup>(1)</sup></b>	<b>2002 <sup>(1)</sup></b>
Apparel Stores	\$ 152,635	\$ 152,729	\$ 142,287	\$ 134,738	\$ 128,458
General Merchandise Stores	301,672	296,269	280,571	254,007	193,295
Drug Stores	74,384	73,620	64,078	62,970	59,301
Food Stores	213,192	209,092	197,976	198,785	197,291
Packaged Liquor Stores	29,225	30,412	30,480	30,246	31,747
Eating/Drinking Places	647,695	606,028	556,316	516,576	491,646
Home Furnishings and Appliance Stores	170,494	134,569	110,771	143,272	136,963
Building Materials and Farm Implements	251,962	228,915	190,723	176,649	167,301
Auto Dealers/Auto Supplies	469,089	472,287	403,914	469,386	486,844
Service Stations	484,661	448,430	379,311	290,582	238,562
Other Retail Stores	379,436	409,750	406,217	362,766	372,299
<b>Retail Stores Totals</b>	<b>\$ 3,174,445</b>	<b>\$ 3,062,101</b>	<b>\$ 2,762,644</b>	<b>\$ 2,639,977</b>	<b>\$ 2,503,707</b>
All Other Outlets	1,350,166	1,193,770	1,086,022	1,056,124	937,892
<b>Total All Outlets</b>	<b>\$ 4,524,611</b>	<b>\$ 4,255,871</b>	<b>\$ 3,848,666</b>	<b>\$ 3,696,101</b>	<b>\$ 3,441,599</b>

<sup>(1)</sup> Restated prior year.

**Source:** The HDL companies and State of California - Board of Equalization

### SALES TAX RATE AS OF SEPTEMBER 30, 2006

<b>Type</b>	<b>California General Fund</b>	<b>Los Angeles County</b>	<b>City of Long Beach</b>	<b>Los Angeles County MTA</b>	<b>Total</b>
Sales Tax Rate <sup>(1)</sup>	5.00	1.25	1.00	1.00	8.25

<sup>(1)</sup> State allocates 0.50% for county mental health obligations. County receives 0.25% for countywide transportation fund (Bradley Burns). County also receives 0.50% for public safety augmentation fund (Prop.172), which the county auditor distributes to its local agencies. These rates are subject to State law and propositions that affect the actual sales tax allocation to jurisdictions.

**Source:** The HDL companies and State of California - Board of Equalization

## UTILITY USERS TAX

The following table shows a breakdown of the Utility Users Tax (UUT) collected by the City.

### COLLECTIONS DURING FISCAL YEARS 2002 – 2006

<b>Utility Type</b>	<b>2006</b>	<b>2005</b>	<b>2004 <sup>(1)</sup></b>	<b>2003 <sup>(1)</sup></b>	<b>2002 <sup>(1)</sup></b>
Telephone	\$ 14,543,335	\$ 15,453,280	\$ 18,121,146	\$ 18,412,302	\$ 19,395,152
Electric	17,479,286	15,872,589	18,573,969	23,426,752	27,424,247
Natural Gas	5,795,553	5,117,902	5,360,400	5,540,557	4,824,243
Water	2,903,452	2,851,867	3,358,451	3,583,054	4,252,224
<b>Gross UUT Totals</b>	<b>\$ 40,721,626</b>	<b>\$ 39,295,638</b>	<b>\$ 45,413,966</b>	<b>\$ 50,962,665</b>	<b>\$ 55,895,866</b>
UTT Refunds/Adjustments	(84,569)	(79,796)	(72,366)	(80,019)	(58,321)
<b>Total Net UUT</b>	<b>\$ 40,637,057</b>	<b>\$ 39,215,842</b>	<b>\$ 45,341,600</b>	<b>\$ 50,882,646</b>	<b>\$ 55,837,545</b>

<sup>(1)</sup> UUT revenue decrease is due to Measure J - A voter initiative that lowered this tax from 10% to 5%. The reduction took place over 5 years starting in FY2001 and reduced the rate 1% a year until FY2005 when the rate went to 5% and remains.

**Source:** City of Long Beach - Department of Financial Management - FY2006 Unaudited

## **GENERAL ACCOUNTING INFORMATION**

Accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. Operations of each fund are accounted for by providing a separate set of self-balancing accounts, which encompass its assets, liabilities, reserves, fund balances, revenues and expenditures.

The modified accrual basis of accounting is followed in the governmental fund financials for the General Fund, Special Revenue Funds, Capital Projects Funds, Trust and Agency Funds. Under this method, expenditures (other than interest on long-term debt) are recorded when the liability is incurred, and revenues are recorded in the accounting period in which they became measurable and available. The City considers the term "available" to mean collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. The accrual basis of accounting is utilized for all Proprietary and Internal Service funds.

The City is in compliance with GASB 44, Economic Condition Reporting: Statistical section. Refer to the City's FY2006 Comprehensive Annual Financial Report (CAFR) for more detail.

The City applies all GASB Statements and Interpretations. As permitted by generally accepted accounting principles, the City has also elected to apply those Financial Accounting Standards Board (FASB) Statements and Interpretations issued before November 30, 1989 that may apply to the accounting and reporting practices of the City's proprietary fund operations, except those that may conflict with GASB pronouncements.

The City employs the encumbrance method of accounting, under which purchase orders, contracts and other commitments are recorded in order to reserve that portion of applicable appropriations. Such commitments are provided for during the annual budget process as carried-over commitments.

## **BUDGETARY PROCESS**

The City's Charter governs the budget development process and deadlines. Per the Charter, the City Council adopts an annual budget for all funds prior to the start of the new fiscal year, which begins on October 1. Based upon the City Council's priorities and community feedback received during the budget development process, the City Manager submits a proposed budget to the Mayor on or before August 1. The Mayor then presents the City Manager's proposed budget with any additional recommendations to the City Council on or before August 15, after which public budget workshops and hearings are conducted with the City Council during which further amendments can be made. If the City Council does not successfully adopt a budget before October 1, the City Manager's budget as proposed becomes the budget for the new fiscal year.

From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various funds. The City Council may amend the budget by motion with a simple majority vote at any time during the fiscal year. The City Manager may transfer appropriations within the departments, and within a given fund, without City Council approval, provided that the total appropriation at the fund level and at the department level does not change. Transfers of appropriations between funds or between departments require City Council approval. Appropriations in single year funds lapse at the end of the fiscal year to the extent they have not been expended or encumbered; however unspent appropriations in all-year funds and subfunds roll over into subsequent fiscal years until they are exhausted.

## **PENSION PLAN**

The City contributes to the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. The contribution requirements to the plan are established and amended by CalPERS. CalPERS is on a fiscal year ending June 30; all actuarial calculations for the City's retirement plan are made on a fiscal year ending June 30, which differs from the City's September 30 fiscal year end. The City's annual pension cost is determined by CalPERS.

Based on CalPERS' actuarial valuation as of June 30, 1997, the City was over funded in all of its retirement plans for the last five years as informed by CalPERS. Due to CalPERS investment losses and changes in benefit levels, the City was required to make a CalPERS contribution payment effective October 1, 2004. In FY 2006 based on the CalPERS' actuarial valuation as of June 30, 2005, the City's contribution payments to CalPERS for both Safety and Miscellaneous Plans were 16.563% and 12.012% respectively, plus the employee rate of 9% and 8% for Safety and Miscellaneous respectively. As of September 30, 2006, Safety employees pay 1% of the 9% and miscellaneous employees pay 2% of the 8%.

Under the terms of the contract between CalPERS and the City, all full-time employees are eligible to participate in CalPERS and become vested in the system after five years of service.

In addition, the City provides Special Status Contractors and Seasonal and Temporary employees with retirement benefits through a Public Agency Retirement System (PARS) administered by a third party administrator.

## **VACATION, HOLIDAY PAY AND SICK LEAVE**

Full-time City employees are entitled to receive up to 96 hours of sick leave per year. Unused sick leave may be accumulated until termination or retirement. No sick leave benefits are vested; however, under the provisions of the City's Personnel Ordinance, upon retirement, the City allows retirees, their spouses and eligible dependents to use the cash value of the retiring employee's accumulated unused sick leave to pay for health, dental and long-term care insurance premiums under the City's Retired Employees Health Insurance Program. Once the cash value of the retired employee's unused sick leave is exhausted, the retiree is required to pay all health and dental premiums.

As of September 30, 2006, there were 769 participants in the City's Retired Employees Health Insurance Program, and the cash value equivalent of the remaining unused sick leave for the current retirees totaled \$20,079,000. Total premiums paid by the City under the Retired Employees Health Insurance Program during the twelve months ended September 30, 2006, were \$5,527,000 and are included in the expenses of the Employee Benefits Internal Service Fund. The City has recorded a liability in the Employee Benefits Internal Service Fund of \$70,556,000 based on an actuarial study of current and future retiree accumulated sick leave updated as of September 30, 2006. Such estimate takes into account an estimate of future usage, additional leave accumulation and wage increases for both current retirees and active employees. The actuarial study assumes an investment return of 5%, wage increases of 3.5% and 4.5% for Miscellaneous and Public Safety respectively per year, and insurance premium increases of 4.5%. The current portion of such obligation of \$6,200,000 has been fully funded; the long-term portion of the liability of \$64,356,000 is being funded, over time, through burden rates charged to the various City funds, applied as a percent of current productive salaries.



## **INSURANCE COVERAGE**

The City has adopted separate self-insurance programs for workers' compensation and general liability claims. As of September 30, 2006, the City accrued non-discounted estimates of \$104,790,000 for workers' compensation and general liability claims representing estimates of amounts to be paid for actual and incurred but not reported claims based upon past experience, modified for current trends and development. The City does not have any outstanding annuities. The City has recorded a current liability of \$18,010,000 and a long-term liability of \$85,780,000 in the Insurance Internal Service Fund.

While the ultimate amount of losses incurred through September 30, 2006 is dependent on future developments, based upon information from the City Attorney, outside counsel and others involved with the administration of the programs, City Management believes that the aggregate accrual is adequate to cover such losses.

**Source:** City of Long Beach – Comprehensive Annual Financial Report – FY2006 Unaudited

### HISTORICAL HOTEL TAX RATES

The City has levied a transient occupancy tax for occupancy of a hotel guest room in the City since 1962 at the rates shown in the following table, listed by effective year.

#### HISTORICAL SUMMARY OF CITY HOTEL TAX RATE CHANGES JULY 1, 1962 TO SEPTEMBER 30, 2006

Effective Date	Hotel Tax Rate
1993	12%
1992	11%
1987	10%

Effective Date	Hotel Tax Rate
1984	7%
1972	6%
1962	5%

Source: City of Long Beach - Department of Financial Management

### HISTORICAL HOTEL OCCUPANCY RATES AND REVENUES

The following table illustrates estimated historical average occupancy rates for the four largest hotels within the Downtown Redevelopment Project Area (the Hyatt Regency, Westin Long Beach, Renaissance and Courtyard by Marriott) along with total room revenue for those hotels.

#### DOWNTOWN REDEVELOPMENT PROJECT AREA HISTORICAL OCCUPANCY RATES AND REVENUES FOUR LARGEST HOTELS

Calendar Year	Average Occupancy	Percent Change	Total Room Revenue	Percent Change
2006	77.2%	5.5%	\$ 62,872,551	13.9%
2005 <sup>(1)</sup> <sup>(2)</sup>	73.2%	2.5%	55,179,192	7.0%
2004 <sup>(2)</sup>	71.4%	4.7%	51,569,899	9.1%
2003 <sup>(2)</sup>	68.2%	0.1%	47,264,471	0.7%
2002 <sup>(2)</sup>	68.1%	0.3%	46,951,460	(0.4%)

<sup>(1)</sup> Occupancy average restated for FY2005. Percentage change adjusted as applicable.

<sup>(2)</sup> Revenues for 2002 through 2005 restated according to most current data. Percent change adjusted as applicable.

Source: Estimates provided by Smith Travel Research

### HOTELS IN TAX LEVY AREA

The number of rooms of the four largest hotels in the downtown levy area is as follows:

Name of Hotel	Number of Rooms
Hyatt Regency	522
Westin Long Beach	460
Renaissance	374
Courtyard by Marriott	216
<b>Total</b>	<b>1,572</b>

Source: Smith Travel Research

### CONVENTION CENTER ATTENDANCE

The following table summarizes convention and delegate attendance since 2002.

#### CONVENTION VISITOR AND DELEGATE ATTENDANCE

Year	Number of	
	Conventions	Number of Delegates
2006	226	446,739
2005	235	440,083
2004	218	495,302
2003	187	470,283
2002	125	405,870

Source: Long Beach Area Convention and Visitors Bureau

### HISTORICAL HOTEL TAXES FOR THE LEVY AREA

The historical hotel taxes generated from the Downtown levy area are listed in the table below:

Fiscal Year	Hotel Tax in Levy Area
2006	\$ 6,779,267
2005	6,410,947
2004	5,935,948
2003	5,395,738
2002	5,283,474

Source: City of Long Beach, Downtown Redevelopment Project Area

## CITY INVESTMENT POLICY

### BACKGROUND

The City Treasurer maintains an Investment Policy, which pursuant to the provisions of Section 53646 of the California Government Code, continues to be annually submitted to the Investment Committee and City Council for review and approval. Any change in the policy is reviewed and approved by the City Council at a public meeting as required by code. The City Treasurer also provides quarterly reports to the City Manager, City Auditor and the City Council, which detail investment activity and portfolio balances. In addition, the Investment Committee, comprised of the City Manager, City Auditor, City Attorney, Director of Financial Management, City Treasurer, City Controller and Financial Officers of the Harbor, Water and Community Development Departments meets quarterly, or as needed, to review investment policies and strategies and to make recommendations consistent with approved investment policies.

The goal of the Investment Policy is to invest public funds in a prudent manner, maintaining maximum security, meeting the daily cash flow demand of the City and conforming to all State laws governing the investment of public funds. The objectives of the Investment Policy are, in the following order of priority:

### SAFETY OF PRINCIPAL

Safety of principal is the foremost objective of the City of Long Beach. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, broker-dealer default, or erosion of market value. It is explicitly recognized herein, however, that in a diversified portfolio, occasional measured losses are inevitable, and must be considered within the context of the overall investment return. The City shall seek to preserve principal by mitigating the two types of risk, credit risk and market risk.

1. Credit Risk. Credit risk, the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in only very safe securities and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the City's cash flow.
2. Market Risk. Market risk, the risk of market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by limiting the weighted average maturity of the City's portfolio to three years. Further, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement, which at the time of investment has a term remaining to maturity in excess of five years.
3. Prudent Investor Rule. Generally, investments shall be made in the context of the "prudent investor" rule, which states that *"investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."*

### RETURN ON INVESTMENT

The City's investment portfolio shall be designed to attain a market-average rate of return through economic cycles. The market-average rate of return is defined by two benchmarks. The short term portfolio is measured by the 91-day Treasury Bill and the long-term portfolio is measured by the Merrill Lynch 1-3 Year Treasury Agency Index. Whenever possible, and consistent with risk limitations, as defined herein, and prudent investment principles, the Treasurer shall seek to augment returns above the market average rate of return.

### INELIGIBLE INVESTMENTS

The City shall not invest any funds in securities that are inverse floaters, range notes, interest only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity. This limitation shall not apply to local agency investments in shares of beneficial interest issued by diversified management companies authorized for investment pursuant to subdivision (k) of Section 53601 of the California Government Code.

#### POLICY REVIEW

The investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends.

## SUMMARY OF INVESTMENT POLICY

Investment Type	Maximum Investment	Maximum Maturity
US Treasury Bill, Notes & Bonds	100%	5 years
Federal Agencies (such as Federal Farm Credit Bank System (FFCB), Federal Home Loan Bank Board (FHLB), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Student Loan Association (Sallie Mae), etc.)	100% No more than 10% of the portfolio may be invested in any one Federal Agency issue or government sponsored issue	5 years
Banker's Acceptance	40% of market value of portfolio 30% of market value of portfolio invested with any one bank	180 days
Commercial Paper (Ranked P1 by Moody's and A1 by S&P. Issued by a domestic corporation having assets in excess of \$500 million and having an A or better rating on its long term indentures).	25% of market value of portfolio 10% of market value of portfolio invested with any one issuer	270 days
Negotiable Certificates of Deposit	30% of market value of portfolio 10% of market value of portfolio invested with any one bank	5 years
Medium Term Corporate Notes	30% of market value of portfolio 10% of market value of portfolio invested with any one issuer	5 years
Sell Put Options & Covered Call Options	Not Authorized	Not Authorized
Mutual Funds	20% of market value of portfolio	None
Repurchase Agreements	100%	90 days
Reverse Repurchase Agreements	20% of market value of portfolio	92 days
Local Agency Investment Fund	As permitted by State Law	As permitted by State Law
Certificates of Time Deposit	100% of market value of portfolio	5 years
Mortgage Pass-through Security, Collateralized Mortgage Obligation, Mortgage-backed or Other Pay-through Bond, Equipment Lease-backed Bond (maximum five years maturity) (Issuer rated A or better)	20% of the surplus money invested pursuant to State code	5 years
Bonds, Notes, Warrants or Other Evidences of Indebtedness Rated A or Better of Any Local Agency within the State	30% of the surplus money invested pursuant to State code	5 years
Securities Lending with Banks in the U.S. Rated A or Better	20%	5 years

## INVESTMENT PORTFOLIO PERFORMANCE

A summary of the City Treasurer's Quarterly Report for the quarter ending September 30, 2006, is set forth below:

Quarter Ending September 30, 2006	Pooled Fund
Invested Market Value Balance	\$1,427,833,599
Portfolio Market Yield	4.15%
Weighted average Portfolio Maturity in Days/Years	521/1.43

**Source:** City of Long Beach - Department of Financial Management - FY 2006 Unaudited

## TIDELANDS OPERATING FUND

The table below shows historical and projected Tidelands Operating Fund revenues:

### FISCAL YEARS 2004 – 2010 (000's)

	Actual			Projected			
	2004	2005	2006	2007	2008	2009	2010
<b>OPERATING REVENUES</b>							
Convention Center <sup>(1)</sup>	\$ 890	\$ 480	\$ 1,409	\$ 575	587	599	611
Hyatt Hotel Leases <sup>(2)</sup>	927	1,011	963	992	1,022	1,053	1,085
Fees, Concessions and Rentals <sup>(3)</sup>	6,929	5,591	6,342	6,469	6,598	6,730	6,865
Other Fees <sup>(4)</sup>	-	-	11,182	11,406	11,634	11,867	12,104
Other Operating Revenues	394	398	394	402	410	418	426
<b>Total Operating Revenues</b>	<b>\$ 9,140</b>	<b>\$ 7,480</b>	<b>\$ 20,290</b>	<b>\$ 19,844</b>	<b>\$ 20,251</b>	<b>\$ 20,667</b>	<b>\$ 21,091</b>
<b>NON-OPERATING REVENUES</b>							
Interest Income	574	932	1,890	1,928	1,967	2,006	2,046
<b>Total Non-Operating Revenues</b>	<b>\$ 574</b>	<b>\$ 932</b>	<b>\$ 1,890</b>	<b>\$ 1,928</b>	<b>\$ 1,967</b>	<b>\$ 2,006</b>	<b>\$ 2,046</b>
<b>TRANSFERS-IN</b>							
TORF-Oil Retention <sup>(5)</sup>	1,000	1,000	1,000	1,000	1,000	1,000	1,000
TORF-Optimized Waterflood <sup>(6)</sup>	8,180	12,091	17,163	10,253	6,555	5,000	5,000
Harbor Revenue Fund (cash basis) <sup>(7)</sup>	9,057	6,851	9,500	14,222	15,000	15,000	15,000
Redevelopment Agency <sup>(8)</sup>	497	651	535	539	539	539	539
Internal Service Funds <sup>(9)</sup>	144	-	-	-	-	-	-
Marina Fund	500	500	-	-	-	-	-
<b>Total Operating Transfers-In</b>	<b>\$ 19,378</b>	<b>\$ 21,093</b>	<b>\$ 28,198</b>	<b>\$ 26,014</b>	<b>\$ 23,094</b>	<b>\$ 21,539</b>	<b>\$ 21,539</b>
<b>Total Revenues</b>	<b>\$ 29,092</b>	<b>\$ 29,505</b>	<b>\$ 50,378</b>	<b>\$ 47,786</b>	<b>\$ 45,312</b>	<b>\$ 44,212</b>	<b>\$ 44,676</b>
<b>PAYMENT OF PRIOR OBLIGATION</b>							
Hyatt Hotel Lease <sup>(2)</sup>	(2,855)	(2,856)	(2,856)	(2,856)	(2,856)	(715)	-
State of California DBAW Loans <sup>(10)</sup>	(79)	(79)	(79)	(79)	(79)	(79)	(79)
<b>Total Payments</b>	<b>(2,934)</b>	<b>(2,935)</b>	<b>(2,935)</b>	<b>(2,935)</b>	<b>(2,935)</b>	<b>(794)</b>	<b>(79)</b>
<b>Total Available Tidelands Revenues</b>	<b>\$ 26,158</b>	<b>\$ 26,570</b>	<b>\$ 47,443</b>	<b>\$ 44,851</b>	<b>\$ 42,377</b>	<b>\$ 43,418</b>	<b>\$ 44,597</b>

<sup>(1)</sup> Convention Center: Revenues reflect the City's portion of shared net facility income and overhead as described in the management contract with Spectator Management Group (SMG). Net revenue reflected is after payment of incentive and management fees to SMG. Also includes HVAC sales to adjacent Hyatt Regency Hotel. In FY2006, SMG received a one-time tax refund from LA County.

<sup>(2)</sup> Hyatt Hotel Leases: Revenues received under a parking structure sublease, and fixed minimum rent and percentage rent based upon gross operating income. Expenditures include the public facilities and parking structure sublease with the Hyatt Hotel. Lease provides for the City to pay \$2.9 million base rent annually for the common facilities plus various other incidental charges including insurance. The base rent requirement ends in calendar year 2008, with incidental costs through 2020.

<sup>(3)</sup> Fees, concessions and rentals: Office building complex, island excursion boat, metered parking and citations, aquatic sports facility, recreational vehicle park, hotel, restaurants, helicopter excursions and water taxi, unreserved proceeds from lease agreement with the Queen Mary Attraction/Hotel/Submarine and retail area. The reserved portion of Queen Mary rent is not included in revenue as it is deposited into a separate Queen Mary Repair reserve fund.

<sup>(4)</sup> Other Fees: Harbor Fund reimbursement Tidelands fund for police and fire services. This revenue is entirely offset by the commensurate amount of public safety expenditures. Prior to FY2006, the public safety expenditures were paid by General Fund and reimbursement was made to General Fund from Harbor. Starting FY2006, Tidelands incurred costs first, then billed Harbor to more appropriately account for these costs.

<sup>(5)</sup> State Legislation (Chapter 138, Statutes of 1964) provides for the City to retain

\$1 million from the net receipts of Tidelands Trust Oil Operations, on a calendar year basis. These funds, transferred from the Tidelands Oil Revenue Fund (TORF), are restricted for use for Trust Purposes.

<sup>(6)</sup> State legislation (Chapter 941, statutes of 1991) provides for the City to receive a share of the incremental net profit from the enhanced Oil Recovery Program (optimized Waterflood). The transfer is dependent on the price of oil and the life of the oil fields. Based on current oil recovery technologies, revenues are expected to decrease.

<sup>(7)</sup> The City Charter provides for an annual transfer of 10 percent of the Harbor Fund's net income, upon approval by the City Council and Board of Harbor Commissioners. Projected transfers are determined by considering many variables, including the completion and leasing of new port facilities. There is a two-year lag between determination of audited net income and transfer of cash.

<sup>(8)</sup> Redevelopment Agency reimburses the Tidelands Operating Fund for 50 percent of Capital Lease Payments made to the City's Gas Utility for Bond costs related to the construction of the Convention Center Energy Plant. Maturity date of the Gas Utility Revenue Bonds is 2013.

<sup>(9)</sup> This is a refund for the FY2002 payment to the Employee Benefits Fund. This payment was not required due to the 1995 Pension Obligation Bonds being refunded in FY2002.

<sup>(10)</sup> This reflects Non-Marina State of California Department of Boating and Waterways Loans: Bulkhead Seawall restoration loans. Marina DBAW Loans and bonds are not reflected nor are the Marina Revenues. The maturity date of the DBAW bulkhead seawall loan is 2024.

Source: City of Long Beach - Department of Financial Management - FY2004 and FY2005 Audited, FY2006 Unaudited

# AQUARIUM OF THE PACIFIC FACILITY

## ADMISSIONS

Admissions include general admissions, discount admissions, group sales, special events and education (school programs). In 2006 general admission prices were Adult \$19.95, Senior \$16.95 and Children \$11.95. Discount pricing varies with different promotions offered throughout the year. Education admission prices for school children are \$6.00 in the fall and winter and \$7.50 in peak spring months. One adult chaperone is allowed in at no cost for every ten school children. The Aquarium implemented a general admission price increase on March 1, 2007, increasing adult and senior pricing by \$1.00, to \$20.95 and \$17.95 respectively. Child pricing will remain at \$11.95.

## MEMBERSHIP

Membership sales include new and renewing memberships. In 2006 membership fees were \$109 for a family, \$79 for a dual, \$49 for an individual, \$69 for a senior couple, and \$39 for a senior individual. The Aquarium expects membership revenues to increase through a combination of membership promotions, targeting lapsed members and new sales campaigns. The Aquarium increased membership pricing January 1, 2007 to \$125 for a family, \$95 for a couple, \$55 for an individual, \$75 for a senior couple, and \$45 for a senior individual.

The following table summarizes the actual annual attendance for fiscal years 2002 through 2006:

### **ACTUAL ATTENDANCE 2002 THROUGH 2006**

*(Numbers in 000's)*

<b>Calendar Year</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
Resident Attendance	1,208	1,157	1,142	1,022	911
Non-Resident Attendance	120	111	99	132	185
<b>Total Actual Attendance</b>	<b>1,328</b>	<b>1,268</b>	<b>1,241</b>	<b>1,154</b>	<b>1,096</b>

**Source:** Aquarium of the Pacific Corporation



## SUMMARY OF HISTORICAL OPERATING REVENUES AND EXPENSES OF THE AQUARIUM FACILITY

Fiscal Years 2002 through 2006

Fiscal Year Ending September 30	2006 <sup>(1)</sup>	2005 <sup>(1)</sup>	2004 <sup>(1)</sup>	2003 <sup>(1)</sup>	2002 <sup>(1)</sup>
<b>OPERATING REVENUES</b>					
Admissions	\$ 14,457,695	\$ 12,949,795	\$ 12,345,695	\$ 11,708,828	\$ 11,085,930
Membership	3,539,775	3,343,271	3,078,714	2,559,008	1,990,728
Educational Programs	1,316,528	1,175,692	1,080,102	878,872	587,187
Retail Operations (Gross)	3,996,539	3,955,456	3,901,829	3,492,556	3,301,866
Contributions	2,889,128	1,738,471	2,240,403	1,601,756	3,026,741
Restaurant and Catering	656,892	623,366	498,535	499,436	460,724
Fundraising Events	462,833	392,220	334,938	238,047	234,575
Donated Goods and Services	987,055	373,145	325,523	195,885	68,284
Operating Interest	15,880	7,311	5,215	8,516	8,602
Other (including parking)	2,150,894	2,040,675	1,161,943	1,112,510	1,094,598
<b>Total Operating Revenue</b>	<b>\$ 30,473,219</b>	<b>\$ 26,599,402</b>	<b>\$ 24,972,897</b>	<b>\$ 22,295,414</b>	<b>\$ 21,859,235</b>
<b>OPERATING EXPENSES</b>					
Salaries, Taxes and Benefits	10,455,737	9,888,532	9,189,646	8,449,776	7,387,033
Insurance	312,973	305,661	295,683	301,645	230,271
Occupancy	310,036	279,943	273,187	249,131	275,641
Utilities	2,378,495	1,999,322	1,398,326	1,887,497	1,896,590
Husbandry/Animals and Collecting	311,047	309,269	263,486	270,794	319,270
Outside Services	1,865,898	1,583,573	1,222,339	1,103,111	1,138,618
Supplies/Other Expendables	2,094,743	1,581,148	1,572,730	1,416,916	1,186,263
Cost of Goods Sold	1,648,707	1,561,742	1,583,513	1,533,765	1,442,292
Printing and Publishing	710,842	605,348	522,953	553,322	501,246
Advertising and Promotion	2,228,572	1,973,453	2,124,691	2,116,383	2,209,650
Travel, Meals and Training <sup>(3)</sup>	313,812	324,693	355,393	342,969	221,722
All Other	2,185,387	1,994,457	1,659,302	1,723,223	1,287,674
<b>Total Operating Expense</b>	<b>\$ 24,816,249</b>	<b>\$ 22,407,141</b>	<b>\$ 20,461,249</b>	<b>\$ 19,948,532</b>	<b>\$ 18,096,270</b>
<b>Net Operating Revenues</b>	<b>\$ 5,656,970</b>	<b>\$ 4,192,261</b>	<b>\$ 4,511,648</b>	<b>\$ 2,346,882</b>	<b>\$ 3,762,965</b>
<b>CONSOLIDATED NON-OPERATING INCOME AND EXPENSES</b>					
Redevelopment Agency Transfer	3,018,762 <sup>(2)</sup>	2,797,782 <sup>(2)</sup>	2,982,721 <sup>(2)</sup>	1,795,620 <sup>(2)</sup>	699,790 <sup>(2)</sup>
Interest	5,485,219	5,062,267	5,103,794	5,078,143	3,681,327
Depreciation <sup>(3)</sup>	4,735,470	4,616,878	4,611,616	4,666,677	4,685,861
<b>Change in net assets</b>	<b>\$ (1,544,957)</b>	<b>\$ (2,689,102)</b>	<b>\$ (2,221,041)</b>	<b>\$ (5,602,318)</b>	<b>\$ (3,904,433)</b>
Net assets (deficit) at beginning of year	(25,699,600)	(23,010,498)	(20,789,457)	(15,187,139)	(11,282,706)
<b>Net assets (deficit) at end of year</b>	<b>\$ (27,244,557)</b>	<b>\$ (25,699,600)</b>	<b>\$ (23,010,498)</b>	<b>\$ (20,789,457)</b>	<b>\$ (15,187,139)</b>

<sup>(1)</sup> Financial information presented above was prepared on a consolidated basis to properly reflect the public-private partnership developed in the 2001 lease revenue refunding bond transaction on May 3, 2001. Currently the debt is the obligation of the Long Beach Bond Finance Authority and the facility assets and debt at the time of the transaction were transferred to the City of Long Beach Tideland Fund. Interest, depreciation and amortization are shown here on a consolidated basis for the twelve months ended September 30th for each of these years and represented as Aquarium Facility summaries. Please see financial statements for presentation and explanation of the consolidating and elimination transactions.

<sup>(2)</sup> The Redevelopment Agency transferred Transient Occupancy taxes agreed upon in the 2001 lease revenue refunding bond transaction towards bond payments. This amount will be repaid in the future to the extent that aquarium revenues exceed amounts required to fund operating and maintenance expenses, operating reserves, debt service, and capital reserves unless the Agency and the City agree to apply such monies to pay costs and expenses relating to the facility, in which case the amounts to be reimbursed shall remain an outstanding obligation to the Agency.

<sup>(3)</sup> Line item name change only. Amounts represented in this line items did not change.

Source: Aquarium of the Pacific Corporation - FY2006 Unaudited

# GAS AND OIL DEPARTMENT

## GAS RATE STRUCTURE FISCAL YEARS 2002- 2006 (PER THERM – 100,000 BTU)

User Type And Monthly Rate Block		2006	2005	2004	2003	2002
Residential:						
Summer:	0-15 \$	0.2808 \$	0.2808 \$	0.2587 \$	0.2329 \$	0.2441
	Over 15	0.4631	0.4631	0.4402	0.4128	0.4239
Winter:	0-50	0.2808	0.2587	0.2587	0.2329	0.2441
	over 50	0.4631	0.4402	0.4402	0.4128	0.4239
Small Non-Residential						
	Tier I <sup>1</sup>	0.4517	0.4383	0.4130	0.3720	0.3828
	Tier II <sup>2</sup>	0.2423	0.2455	0.2283	0.2064	0.2295
	Tier III <sup>3</sup>	0.0907	0.1154	0.1020	0.0767	0.1000
Large Non-Residential						
	Tier I <sup>4</sup>	0.1853	0.1752	0.1424	0.1294	0.2295
	Tier II <sup>5</sup>	0.1326	0.1274	0.1009	0.0927	0.1000
	Tier III <sup>6</sup>	0.0990	0.0786	0.0744	0.0693	n/a
	Tier IV <sup>7</sup>	0.0749	0.0749	0.0554	0.0525	n/a

<sup>1</sup> All usage not to exceed 100 therms per summer month or 250 therms per winter month (prorated on a daily basis)

<sup>2</sup> All usage exceeding Tier I volumes, but not exceeding 4,167 therms monthly (prorated on a daily basis)

<sup>3</sup> All usage exceeding 4,167 therms monthly (on a daily basis)

<sup>4</sup> Zero - 20,833 therms

<sup>5</sup> 20,834 - 83,333 therms

<sup>6</sup> 83,334 - 166,667 therms

<sup>7</sup> Over 166,667 therms

Source: City of Long Beach - Gas and Oil Department - FY2006 Unaudited

## NATURAL GAS SALES FISCAL YEARS 2002- 2006 (000's)

The following table sets forth a five-year history of billing amounts, natural gas consumption in cubic feet by customer type, the average rate per million cubic feet and the average number of customers. For conversion purposes, 100 cubic feet multiplied by the Btu factor (1.021) equals one therm.

Fiscal Year Ending Sept. 30	Consumption in Sales Dollars				Consumption in Cubic Feet				Numbers in 000's	
									Average Rate per MCF	Average No. of Customers
	Residential	Industrial	Others	Total	Residential	Industrial	Others	Total		
2006	\$70,345	\$28,658	\$1,333	\$100,336	5,518,589	5,042,684	504,701	11,065,974	9.07	149
2005	63,556	25,579	2,440	91,575	5,735,844	5,298,961	757,496	11,792,301	7.77	149
2004	56,173	21,486	2,006	79,665	5,810,339	5,366,542	805,992	11,982,873	6.65	145
2003	49,888	18,354	1,350	69,592	5,651,109	4,287,971	640,659	10,579,739	6.58	145
2002	42,400	13,886	81	56,367	6,049,213	4,848,943	39,049	10,937,205	5.15	144

Source: City of Long Beach - Gas and Oil Department - FY2006 Unaudited

**TEN LARGEST CUSTOMERS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2006**

The ten largest customers represent approximately 7 percent of the annual natural gas sales and/or transmission charges.

<b>Customer</b>	<b>In Cubic Feet</b>	<b>In Dollar Sales</b>
Montenay Pacific Power Corporation <sup>(1)</sup>	174,871,300	\$ 1,588,040
Memorial Hospital <sup>(1)</sup>	128,659,900	1,281,499
Long Beach Aquarium Cogeneration <sup>(1)</sup>	79,476,300	811,920
Edgington Oil <sup>(2)</sup>	891,492,800	737,931
National Gypsum <sup>(2)</sup>	767,084,300	608,747
Long Beach Convention Center <sup>(1)</sup>	39,297,300	388,945
THUMS Cogeneration <sup>(2)</sup>	364,686,400	387,004
Long Beach Convention Center -- Arena <sup>(1)</sup>	41,762,800	383,093
Baker Commodity <sup>(1)</sup>	20,263,400	357,341
International Garment & Finish <sup>(1)</sup>	30,729,700	332,508
<b>Total</b>	<b>2,538,324,200</b>	<b>\$ 6,877,027</b>

<sup>(1)</sup> Transmission charges.

<sup>(2)</sup> Natural gas sales.

**Source:** City of Long Beach - Gas and Oil Department, FY2006 Unaudited

**CITY OF LONG BEACH GAS ENTERPRISE FUND**  
**STATEMENTS OF NET ASSETS**  
**FISCAL YEARS 2002-2006**

*Fiscal Year Ending September 30*

*(Numbers in \$000's)*

	2006	2005	2004	2003	2002
<b>ASSETS</b>					
Current Assets:					
Pooled Cash and Cash Equivalents	\$ 6,360	\$ 12,871	\$ 10,282	\$ 12,077	\$ 16,170
Receivables:					
Accounts Receivable	3,906	4,044	2,754	3,173	2,511
Due from Other Governments	-	-	-	-	-
Due from Other Funds	698	663	633	603	578
Allowance for Receivables	(448)	(425)	(383)	(444)	(461)
Inventory	1,024	1,012	1,191	1,221	1,463
<b>Total Current Asset</b>	<b>11,539</b>	<b>18,165</b>	<b>14,477</b>	<b>16,630</b>	<b>20,261</b>
Restricted Assets:					
Pooled Cash and Cash Equivalents	8,545	3,388	3,277	1,896	1,882
Non-Pooled Investments	650	764	1,068	1,068	1,068
<b>Total Restricted Assets</b>	<b>9,195</b>	<b>4,152</b>	<b>4,345</b>	<b>2,964</b>	<b>2,950</b>
Noncurrent Assets:					
Advances to Other Funds	4,946	5,645	6,308	6,941	7,545
Capital Assets:					
Land and Other Capital Assets not being Depreciated	5,399	3,882	2,329	1,311	2,810
Capital Assets net of Accumulated Depreciation	59,892	54,679	53,772	54,362	54,297
Other Assets-Long-Term	-	-	-	-	-
<b>Total Noncurrent Assets</b>	<b>70,237</b>	<b>64,206</b>	<b>62,409</b>	<b>62,614</b>	<b>64,652</b>
<b>Total Assets</b>	<b>90,970</b>	<b>86,523</b>	<b>81,231</b>	<b>82,208</b>	<b>87,863</b>
<b>LIABILITIES:</b>					
Current Liabilities Payable from Current Assets:					
Accounts Payable	9,911	8,573	4,398	5,947	3,632
Accrued Wages	365	318	299	226	214
Due to Other Funds	180	149	133	65	60
Deferred Revenues	772	385	191	127	73
<b>Total Current Liabilities</b>	<b>11,228</b>	<b>9,425</b>	<b>5,021</b>	<b>6,365</b>	<b>3,979</b>
Current Liabilities Payable from Restricted Assets:					
Accrued Interest Payable	29	32	171	183	194
Customers Deposits	1,822	1,944	1,951	1,896	1,882
Bonds Payable Due Within One Year	905	885	655	625	600
<b>Total Liabilities Payable from Restricted Assets</b>	<b>2,756</b>	<b>2,861</b>	<b>2,777</b>	<b>2,704</b>	<b>2,676</b>
Noncurrent Liabilities:					
Bonds Payable/Commercial Paper	13,280	6,500	7,560	8,215	8,840
Unamortized Discount/Deferred Cost	(107)	(118)	(187)	(207)	(228)
<b>Total Noncurrent Liabilities</b>	<b>13,173</b>	<b>6,382</b>	<b>7,373</b>	<b>8,008</b>	<b>8,612</b>
<b>Total Liabilities</b>	<b>27,157</b>	<b>18,668</b>	<b>15,171</b>	<b>17,077</b>	<b>15,267</b>
<b>NET ASSETS:</b>					
Investment in Capital Assets, Net of Related Debt	51,212	51,295	48,073	47,040	47,895
Restricted for:					
Debt Service	6,439	1,291	1,568	260	274
Unrestricted	6,162	15,269	16,419	17,831	24,427
<b>Total Net Assets</b>	<b>\$ 63,813</b>	<b>\$ 67,855</b>	<b>\$ 66,060</b>	<b>\$ 65,131</b>	<b>\$ 72,596</b>

Source: City of Long Beach - Comprehensive Annual Financial Report - Preliminary FY2006 Unaudited

**CITY OF LONG BEACH GAS ENTERPRISE FUND**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**FISCAL YEARS 2002-2006**

<i>Fiscal Year Ending September 30</i>	<i>(Numbers in \$000's)</i>				
	2006	2005	2004	2003	2002
<b>Operating Revenues:</b>					
Charges for Services	\$ 107,498	\$ 98,998	\$ 83,752	\$ 75,323	\$ 62,301
<b>Total Revenues</b>	<b>107,498</b>	<b>98,998</b>	<b>83,752</b>	<b>75,323</b>	<b>62,301</b>
<b>Operating Expenses:</b>					
Personal Services	11,610	11,281	10,456	9,834	10,764
Purchases of Gas	69,649	62,674	51,541	44,786	29,861
Maintenance and Other Operations	15,079	9,813	10,878	9,559	10,520
Bad Debt	366	341	184	152	144
Depreciation	3,253	3,007	3,107	3,291	3,185
<b>Total Operating Expenses</b>	<b>99,958</b>	<b>87,116</b>	<b>76,166</b>	<b>67,622</b>	<b>54,474</b>
<b>Operating Income (Loss)</b>	<b>7,540</b>	<b>11,882</b>	<b>7,586</b>	<b>7,701</b>	<b>7,827</b>
<b>Non-Operating Income (Expense):</b>					
Interest Income	674	562	491	644	1,029
Interest Expense	(383)	(448)	(433)	(549)	(489)
Gain (Loss) on Disposition of Capital Assets	(442)	(156)	(96)	(193)	(366)
Contributed Capital					
Other Income (Expense)	5,571	5,451	4,965	287	341
<b>Total Non-Operating Income (Expense)</b>	<b>5,420</b>	<b>5,409</b>	<b>4,927</b>	<b>189</b>	<b>515</b>
Income (Loss) Before Contributions and Operating Transfers	12,960	17,291	12,513	7,890	8,342
Transfers Out	(17,002)	(15,497)	(11,584)	(15,355)	(7,851)
Change in Net Assets	(4,042)	1,794	929	(7,465)	491
<b>Net Assets - October 1, as Restated</b>	<b>67,855</b>	<b>66,061</b>	<b>65,131</b>	<b>72,596</b>	<b>72,596</b>
<b>Net Assets - September 30</b>	<b>\$ 63,813</b>	<b>\$ 67,855</b>	<b>\$ 66,060</b>	<b>\$ 65,131</b>	<b>\$ 72,596</b>

Source: City of Long Beach - Comprehensive Annual Financial Report - Preliminary FY2006 Unaudited

**DEBT SERVICE COVERAGE**

<i>Fiscal Year Ending September 30</i>	<i>(Numbers in \$000's)</i>				
	2006	2005	2004	2003	2002
OPERATING REVENUE	\$ 107,498	\$ 98,998	\$ 83,752	\$ 75,322	\$ 62,301
OPERATING EXPENSES <sup>(1)</sup>	96,704	84,109	73,059	64,331	51,289
NET OPERATING REVENUE	10,793	14,889	10,693	10,991	11,012
NON-OPERATING INCOME <sup>(1)</sup>	5,862	5,857	5,360	738	1,004
NET REVENUE AVAILABLE FOR DEBT SERVICE	\$ 16,655	\$ 20,746	\$ 16,352	\$ 6,762	\$ 12,016
DEBT SERVICE REQUIREMENTS	\$ 1,049	\$ 1,049	\$ 1,049	\$ 1,052	\$ 1,053
COVERAGE RATIO	15.9x	19.8x	15.6x	6.4x	11.4x

<sup>(1)</sup> Operating expenses exclude depreciation; non-operating income excludes interest expense.

<sup>(2)</sup> Series 1993 Bonds refunded in FY2005; previous years' data relates to 1993 Gas Utility Revenue Bonds

Source: City of Long Beach - Comprehensive Annual Financial Report - Preliminary FY2006 Unaudited

# HARBOR DEPARTMENT PORT OF LONG BEACH

## COMPARATIVE SUMMARY OF STATEMENTS OF REVENUE, EXPENSE AND CHANGES IN NET ASSETS <sup>(1)</sup>

Fiscal Year Ending September 30

(Numbers in \$000's)

	2006	2005	2004	2003	2002
<b>PORT OPERATING REVENUES</b>					
Fees, Concessions and Rentals	\$ 349,134	\$ 325,489	\$ 277,620	\$ 245,944	\$ 220,062
Other, Income (Expense) Net	4,160	3,719	3,162	3,598	3,937
<b>Total Port Operating Revenues</b>	<b>\$ 353,294</b>	<b>\$ 329,208</b>	<b>\$ 280,782</b>	<b>\$ 249,542</b>	<b>\$ 223,999</b>
<b>PORT OPERATING EXPENSES</b>					
Operation/Administrative	75,541	62,016	54,208	44,450	40,085
Depreciation/Amortization	85,465	86,754	82,920	74,433	53,027
<b>Total Port Operating Expenses</b>	<b>\$ 161,006</b>	<b>\$ 148,770</b>	<b>\$ 137,128</b>	<b>\$ 118,883</b>	<b>\$ 93,112</b>
Income from Port Operations	192,288	180,438	143,654	130,659	130,887
<b>NON-OPERATING INCOME AND EXPENSE</b>					
Interest Income, Net of Capitalized Interest	28,302	17,964	13,450	13,627	14,352
Interest Expense, Net of Capitalized Interest	(54,110)	(57,449)	(60,545)	(51,069)	(38,020)
Gain (Loss) on Sale of Property	(1,392)	(400)	(93)	(11,337)	(10,426)
Other, Income (Expense) Net	(594)	8,959	(370)	(4,814)	2,460
<b>Total Non-Operating Income (Expense)</b>	<b>\$ (27,793)</b>	<b>\$ (30,926)</b>	<b>\$ (47,558)</b>	<b>\$ (53,593)</b>	<b>\$ (31,634)</b>
Income Before Operating Transfers	164,495	149,514	96,096	77,066	99,253
Capital Grants and Contributions and Depreciation	2,298	2,208	5,752	500	-
Net Transfers	(14,222)	(9,500)	(6,851)	-	-
<b>Change in Net Assets (Deficit)</b>	<b>\$ 152,571</b>	<b>\$ 142,222</b>	<b>\$ 94,997</b>	<b>\$ 77,566</b>	<b>\$ 99,253</b>
<b>Total Net Assets, October 1</b>	<b>1,828,151</b>	<b>1,685,929</b>	<b>1,590,932</b>	<b>1,522,424</b>	<b>1,431,848</b>
<b>Total Net Assets, September 30</b>	<b>\$ 1,980,722</b>	<b>\$ 1,828,151</b>	<b>\$ 1,685,929</b>	<b>\$ 1,599,990</b>	<b>\$ 1,531,101</b>

<sup>(1)</sup> Revised table to conform with data reported in City's Comprehensive Annual Financial Report.

Source: City of Long Beach - Comprehensive Annual Financial Report - Preliminary FY2006 Unaudited

## HARBOR DEPARTMENT COMPARATIVE STATEMENT OF NET ASSETS <sup>(1)</sup>

*Fiscal Year Ending September 30*

*(Numbers in \$000's)*

	2006	2005	2004	2003	2002
<b>CURRENT ASSETS</b>					
Pooled Cash and Investments	\$ 563,904	\$ 394,399	\$ 304,729	\$ 287,959	\$ 257,682
Interest Receivable	576	613	200	313	313
Accounts Receivable (Trade)	41,764	41,894	42,822	42,308	27,201
Due from other Governmental Agencies	2,961	735	23,221	7,847	17,253
Inventories of Supplies	928	1,008	844	886	768
Other Current Assets	-	-	-	-	-
<b>Total Current Assets</b>	<b>610,133</b>	<b>438,649</b>	<b>371,816</b>	<b>339,313</b>	<b>303,217</b>
<b>HARBOR REVENUE BOND FUNDS &amp; OTHER FUNDS RESTRICTED AS TO USE</b>					
Pooled Cash and Cash Equivalents	281,035	269,514	262,752	214,010	273,828
Other Investments	32,231	32,362	11,460	12,361	12,361
<b>Total Restricted Assets</b>	<b>\$ 313,266</b>	<b>\$ 301,876</b>	<b>\$ 274,212</b>	<b>\$ 226,371</b>	<b>\$ 286,189</b>
<b>Non Current Assets:</b>					
Non-current receivables:					
Advances to Other Funds	6,788	5,987	4,943	5,648	5,931
Other Noncurrent Receivables	27,435	27,435	27,435	27,435	27,435
Capital assets:					
Land and other Capital assets not depreciated	1,202,281	1,175,268	1,191,216	1,261,895	1,167,506
Capital assets net of accumulated depreciation	989,150	1,047,927	1,048,796	1,006,204	1,061,796
Other Long-term assets	72,299	104,733	112,955	87,499	85,560
<b>Total Non Current Assets</b>	<b>\$ 2,297,953</b>	<b>\$ 2,361,350</b>	<b>\$ 2,385,345</b>	<b>\$ 2,388,681</b>	<b>\$ 2,348,228</b>
<b>Total Assets</b>	<b>\$ 3,221,352</b>	<b>\$ 3,101,875</b>	<b>\$ 3,031,373</b>	<b>\$ 2,954,365</b>	<b>\$ 2,937,634</b>

<sup>(1)</sup> Revised table to conform with data reported in City's Comprehensive Annual Financial Report.

**Source:** City of Long Beach - Comprehensive Annual Financial Report - Preliminary FY2006 Unaudited

# HARBOR DEPARTMENT COMPARATIVE STATEMENT OF NET ASSETS <sup>(1)</sup>

## (CONTINUED)

Fiscal Year Ending September 30

(Numbers in \$000's)

	2006	2005	2004	2003	2002
<b>CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS</b>					
Accounts Payable and Accrued Expenses	\$ 56,603	\$ 24,615	\$ 19,955	\$ 26,630	\$ 69,444
Due to other funds	14,572	27,122	45,430	17,341	17,955
Deferred Revenues	17,227	8	8	8	8
Notes payable due within One Year	41	55	54	54	55
<b>Current Liabilities Payable from Current Assets</b>	<b>\$ 88,443</b>	<b>\$ 51,800</b>	<b>\$ 65,447</b>	<b>\$ 44,033</b>	<b>\$ 87,462</b>
<b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>					
Current portion of bonds indebtedness	38,335	20,105	20,948	22,678	21,835
Accrued interest - bonds	17,746	34,935	34,215	32,590	30,145
<b>Total Liabilities from Restricted Assets</b>	<b>\$ 56,081</b>	<b>\$ 55,040</b>	<b>\$ 55,163</b>	<b>\$ 55,268</b>	<b>\$ 51,980</b>
Deferred Revenues	-	31,552	30,523	24,853	3,799
Accrued Oil Field Abandonment costs	18,300	17,700	17,000	26,650	26,313
Obligations Under Capital Lease	60,191	60,234	60,288	60,343	60,397
Other Long Term Bonds Payable (nets of unamortized Discount/Deferred Cost)	1,017,615	1,057,398	1,117,023	1,152,286	1,185,259
<b>Total Non-Current Liabilities</b>	<b>\$ 1,096,106</b>	<b>\$ 1,166,884</b>	<b>\$ 1,224,834</b>	<b>\$ 1,264,132</b>	<b>\$ 1,275,768</b>
<b>Total Liabilities</b>	<b>\$ 1,240,630</b>	<b>\$ 1,273,724</b>	<b>\$ 1,345,444</b>	<b>\$ 1,363,433</b>	<b>\$ 1,415,210</b>
<b>Net Assets <sup>(2)</sup></b>	<b>\$ 1,980,722</b>	<b>\$ 1,828,151</b>	<b>\$ 1,685,929</b>	<b>\$ 1,590,932</b>	<b>\$ 1,522,424</b>
<b>Total Net Assets <sup>(2)</sup></b>	<b>\$ 3,221,352</b>	<b>\$ 3,101,875</b>	<b>\$ 3,031,373</b>	<b>\$ 2,954,365</b>	<b>\$ 2,937,634</b>

<sup>(1)</sup> Revised table to conform with data reported in City's Comprehensive Annual Financial Report.

<sup>(2)</sup> Presentation in accordance with GASB 34.

Source: City of Long Beach - Comprehensive Annual Financial Report - Preliminary FY2006 Unaudited



## REVENUE BONDS COVERAGE <sup>(1)</sup>

A summary of actual Harbor Department Revenues, Maintenance Costs, Net Revenues, Parity Debt Service and Coverage gross and net for the five-year period of 2002 through 2006 is presented below:

<i>Harbor Coverage of Revenue Bonds and Parity Debt</i>						<i>(Numbers in \$000's)</i>	
<b>Fiscal Year Ending</b>						<b>Coverage</b>	
<b>September 30</b>	<b>Revenues <sup>(1)</sup></b>	<b>Maintenance Costs <sup>(2)</sup></b>	<b>Net Revenues <sup>(3)</sup></b>	<b>Parity Debt Service <sup>(4)</sup></b>		<b>Gross</b>	<b>Net</b>
2006	\$ 381,596	\$ 75,541	\$ 306,055	\$ 90,121		4.2x	3.4x
2005	347,172	62,015	285,157	92,524		3.7x	3.1x
2004	294,232	54,207	240,025	93,890		3.1x	2.6x
2003	263,168	44,450	218,718	85,257		3.1x	2.6x
2002	238,350	40,083	198,267	54,760		4.4x	3.6x

<sup>(1)</sup> Includes total port revenue and interest income as shown on the comparative summary of statements of revenue, expenses and changes in net assets.

<sup>(2)</sup> Includes all port operating expenses less depreciation and amortization as shown on the comparative summary of statements of revenue.

<sup>(3)</sup> Revenues less maintenance costs.

<sup>(4)</sup> Includes all revenue bonds, parity debt (debt service net of capitalized interest).

**Source:** City of Long Beach - Harbor Department, FY2006 Unaudited

## OPERATING REVENUES

The Harbor Department operates as a landlord, leasing or assigning docks, wharfs, transit sheds and terminals to shipping or terminal companies and other private firms for operation of such facilities. The Harbor Department derives income from tariffs assessed on shipping activity (primarily wharfage and dockage) and from leases, rentals and utility services. The following table presents a summary of operating revenues for the past five fiscal years.

<i>Fiscal Year Ending September 30</i>					<i>(Numbers in \$000's)</i>	
	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	
<b>Operating Revenues</b>						
<b>Berths &amp; Special Facilities</b>						
Wharfage	\$ 283,020	\$ 264,125	\$ 224,899	\$ 191,125	\$ 165,669	
Dockage	18,250	17,358	14,660	13,033	11,954	
Bunkers	2,417	1,876	1,524	1,320	1,704	
Special Facilities Rentals	21,017	18,611	17,053	18,720	23,246	
Crane Rentals	12,804	12,402	9,238	12,821	7,582	
Other	167	191	82	63	368	
<b>Total Berths &amp; Special Facilities</b>	<b>\$ 337,676</b>	<b>\$ 314,563</b>	<b>\$ 267,456</b>	<b>\$ 237,082</b>	<b>\$ 210,523</b>	
Rental Properties	11,458	10,926	10,164	8,861	9,539	
Utilities/Miscellaneous	4,160	3,718	3,162	3,598	3,937	
<b>Total Operating Revenues</b>	<b>\$ 353,294</b>	<b>\$ 329,207</b>	<b>\$ 280,782</b>	<b>\$ 249,541</b>	<b>\$ 223,999</b>	

**Source:** City of Long Beach - Harbor Department, FY2006 Unaudited

## WHARFAGE REVENUES PER TON

*Fiscal Year Ending September 30*

	2006	2005	2004	2003	2002
Total Metric Revenue Tons (000's) (Municipal Only)	168,014	157,907	137,709	117,980	125,477
Wharfage Revenue (000's)	\$ 283,020	\$ 264,125	\$ 224,899	\$ 191,125	\$ 165,669
Average Wharfage Revenues Per Ton	\$ 1.68	\$ 1.67	\$ 1.63	\$ 1.62	\$ 1.32

Source: City of Long Beach - Harbor Department, FY2006 Unaudited

## TONNAGE SUMMARY (MRTs) <sup>(1)</sup>

*Fiscal Year Ending September 30*

	2006	2005	2004	2003	2002
<b>MUNICIPAL BERTHS</b>					
<i>Inbound Cargo</i>					
Foreign	114,723,789	102,144,682	89,294,993	7,173,458	79,296,997
Coastwise/InterCoastal	17,367,762	21,023,918	18,852,633	19,689,983	17,928,336
<b>Total Inbound Cargo</b>	<b>132,091,551</b>	<b>123,168,600</b>	<b>108,147,626</b>	<b>26,863,441</b>	<b>97,225,333</b>
<i>Outbound Cargo</i>					
Foreign	28,648,207	26,753,401	22,280,780	20,148,644	22,107,339
Coastwise/InterCoastal	4,649,824	5,974,166	6,019,842	4,588,409	3,751,115
Bunkers	2,624,618	2,010,674	1,531,283	1,679,668	2,393,666
<b>Total Outbound Cargo</b>	<b>35,922,649</b>	<b>34,738,241</b>	<b>29,831,905</b>	<b>26,416,721</b>	<b>28,252,120</b>
<b>Total Municipal Cargo</b>	<b>168,014,200</b>	<b>157,906,841</b>	<b>137,709,531</b>	<b>53,280,162</b>	<b>125,477,453</b>
<b>PRIVATE BERTHS</b>					
Inbound	401,575	229,142	313,044	255,543	142,866
Outbound	-	-	-	-	-
<b>Total Private Cargo</b>	<b>401,575</b>	<b>229,142</b>	<b>313,044</b>	<b>255,543</b>	<b>142,866</b>
<b>Grand Total</b>	<b>168,415,775</b>	<b>158,135,983</b>	<b>138,022,575</b>	<b>53,535,705</b>	<b>125,620,319</b>
<b>Inbound/Outbound Summary</b>					
Total Inbound Cargo	132,091,551	123,168,600	108,460,670	27,118,984	97,368,199
Total Outbound Cargo	35,922,649	34,738,241	29,831,905	26,416,721	28,252,120
Container Count in TEUs <sup>(2)</sup>	7,166,771	6,644,080	5,355,972	4,388,815	4,694,432

<sup>(1)</sup> Metric Revenue Tons is Equal to either 1,000 kilograms or one cubic meter.

<sup>(2)</sup> A TEU represents a twenty-foot equivalent unit.

Source: City of Long Beach - Harbor Department, FY2006 Unaudited

## CARGO SUMMARY

The Port's leading inbound cargos include bulk petroleum, machinery and plastic products, furniture, textiles, clothing, cement, rubber products, gypsum, various foods and vehicles. Principal outbound shipments are bulk petroleum, coke, coal, soda ash, chemicals, wastepaper, various food products, machinery, cotton, various metals and scrap metals, various feeds, and plastic products.

The following is a breakdown of cargo handled by the Port at municipal berths during the past two fiscal years by tonnage and revenue.

Fiscal Year Ending September 30 2006					2005			
	Metric Revenue Tons (000's)	Percent of Total Tons	Revenue (000's) <sup>(1)</sup>	Percent of Shipping Revenue	Metric Revenue Tons (000's)	Percent of Total Tons	Revenue (000's) <sup>(1)</sup>	Percent of Shipping Revenue
Containerized	121,865	72%	\$ 274,344	81%	113,952	72%	\$ 256,736	82%
Dry Bulk	9,035	5%	20,241	6%	6,995	4%	16,717	5%
General Cargo	2,931	2%	25,364	8%	2,912	2%	23,536	7%
Petroleum/Liquid Bulk	34,585	21%	17,727	5%	34,277	22%	17,574	6%
<b>Totals</b>	<b>168,416</b>	<b>100%</b>	<b>\$ 337,676</b>	<b>100%</b>	<b>158,136</b>	<b>100%</b>	<b>\$ 314,563</b>	<b>100%</b>

<sup>(1)</sup> Revenue includes operating revenues from wharfage, dockage, storage/demurrage, bunkers, special facilities rentals, crane rentals, and other.

Source: City of Long Beach - Harbor Department, FY2006 Unaudited

## LEADING TRADING PARTNERS

In addition to the trading partners listed below, other major inbound trading partners include Mexico, Thailand, Indonesia, Malaysia, Ecuador and Italy. Other major outbound trading partners include the Netherlands, Singapore, Australia, Brazil, Malaysia and Indonesia.

Fiscal Year Ending September 30					(000's MRTs) <sup>(1)</sup>
Countries	2006	2005	2004	2003	2002
<b>INBOUND</b>					
China	59,900	48,998	36,163	27,770	27,556
Hong Kong	5,649	5,694	7,403	8,037	8,039
Japan	5,286	4,441	4,372	4,652	4,581
South Korea	6,809	5,869	5,970	6,117	6,304
Taiwan	1,435	1,116	1,424	2,371	1,835
<b>OUTBOUND</b>					
China	8,811	7,833	6,551	4,738	3,838
Hong Kong	1,934	1,745	1,298	1,378	1,457
Japan	4,366	3,357	3,027	2,866	3,288
South Korea	3,180	3,013	2,719	3,086	2,903
Taiwan	967	990	697	706	974

<sup>(1)</sup> Metric revenue tons is equal to either 1,000 kilograms or one cubic meter.

Source: City of Long Beach - Harbor Department, FY 2006 Unaudited

# MARINE BUREAU

## MARINA REVENUES AND EXPENDITURES

The following table contains historical revenue and expenditure data for all marina facilities subject to and under the jurisdiction of the City, exclusive of the Harbor District.

*Fiscal Year Ending September 30*

*(Numbers in \$000's)*

<b>Fiscal Year</b>	<b>Beginning Unreserved Fund Balance <sup>(1)</sup></b>	<b>Operating Revenue</b>	<b>Operating Expenses <sup>(2)</sup></b>	<b>Net Operating Income (Loss)</b>	<b>Non-Operating Income (Loss) <sup>(3)</sup></b>	<b>Net Amount Available For Debt Service <sup>(1)</sup></b>	<b>Total Debt Service</b>	<b>Debt Service Coverage <sup>(1)</sup></b>
2006	(3,400) <sup>(4)</sup>	16,691	11,972	4,719	377	1,696	3,581	0.5x
2005 <sup>(5)</sup>	1,950	16,008	11,395	4,613	300	6,863	3,652	1.9x
2004 <sup>(5)</sup>	1,851	16,223	10,759	5,464	571	7,886	3,649	2.2x
2003	1,412	16,171	10,293	5,878	(370)	6,920	3,652	1.9x
2002	974	15,564	10,812	4,752	470 <sup>(6)</sup>	6,196	3,651	1.7x

<sup>(1)</sup> Beginning unreserved balances were restated for FY2002 to current available fund balance for debt service per the 1995 Marina Revenue Bond Indenture debt service coverage revised as applicable.

<sup>(2)</sup> Operating expenses exclude depreciation.

<sup>(3)</sup> Non-operating income excludes interest expense.

<sup>(4)</sup> California Department of Boating and Waterways loan proceeds in the amount of \$5.08 million were received in FY2006; however, expenditures were incurred in FY2005. In addition, Restricted Fund Balance of \$3.5 million remains available for the debt service reserve to pay outstanding debt service obligations.

<sup>(5)</sup> Data updated to reflect audited FY2004 and FY2005 Comprehensive Annual Financial Report figures.

<sup>(6)</sup> Restated to reflect other income restricted for capital improvements.

**Source:** City of Long Beach - Comprehensive Annual Financial Report - FY2006 Unaudited

## RENTALS AND CONCESSIONS REVENUE

In addition to marina facilities related to boat slips, income is derived from fees and concessions charged to commercial establishments that lease facilities located within and adjacent to the Marinas. The following is a summary of the rental and concession revenues since fiscal year 2002:

Fiscal Year Ending September 30

Lessee	Rent & Concession Revenues				
	2006	2005	2004	2003	2002
Shoreline Village	\$ 471,899	\$ 648,362	\$ 555,158	\$ 475,000	\$ 428,000
Alamitos Bay Marina Center	433,752	166,738	78,260	100,000	180,000
Marina Shipyard	151,781	150,424	123,176	132,301	136,400
Joe's Crab Shack/Long Beach Rusty Pelican Restaurant	95,469	104,379	116,685	124,502	117,200
Bancap Seaport Village	75,000	75,000	75,000	75,000	75,000
Bancap Investment Group (Restaurant)/ HEG Enterprises (Crab Pots) <sup>(1)</sup>	142,334	117,050	29,925	38,745	38,148
Other	138,695	225,492	131,762	132,823	291,337
<b>Total</b>	<b>\$ 1,508,930</b>	<b>\$ 1,487,445</b>	<b>\$ 1,109,966</b>	<b>\$ 1,078,371</b>	<b>\$ 1,266,085</b>

Source: City of Long Beach - Department of Parks, Recreation & Marine - Unaudited

## EXISTING BOAT SLIP FACILITIES

The tabulation below shows the number and length of boat slips:

Fiscal Year Ending September 30, 2006

ALAMITOS BAY MARINA <sup>(1)</sup>				LONG BEACH SHORELINE AND RAINBOW HARBOR MARINA <sup>(2)</sup>			TOTAL		
Slip Length	Occupied	Total Slips	% Occupied	Occupied	Total Slips	% Occupied	Occupied	Total Slips	% Occupied
20 feet	264	454	58%	-	-	-	264	454	58%
25 feet	312	439	71%	-	- <sup>(3)</sup>	-	312	439	71%
30 feet	258	353	73%	453	535	85%	711	888	80%
35 feet	222	236	94%	411	448	92%	633	684	93%
40 feet	250	260	96%	234	403 <sup>(4)</sup>	58%	484	663	73%
45 feet	107	112	96%	133	157	85%	240	269	89%
50 feet	88	90	98%	75	77	97%	163	167	98%
60 feet	22	22	100%	33	36	92%	55	58	95%
70 feet	11	13	85%	-	-	-	11	13	85%
80 feet	16	17	94%	-	-	-	16	17	94%
over 90 feet	-	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>1,550</b>	<b>1,996</b>	<b>78%</b>	<b>1,339</b>	<b>1,656</b>	<b>81%</b>	<b>2,889</b>	<b>3,652</b>	<b>79%</b>

<sup>(1)</sup> A total of 400 slips in various sizes are being held from use on a permanent basis in preparation for the renovation of Alamitos Bay Marina. Some slips are being rented on a temporary basis (up to nine months). If these slips are discounted from occupancy figures above, the adjusted occupancy at Alamitos Bay was 97.1 percent.

<sup>(2)</sup> A total of 238 slips in various sizes are being held from use on a permanent basis during the renovation of the Long Beach Shoreline Marina. Some slips are being rented on a temporary basis (up to nine months). If these slips are discounted from occupancy figures above, the adjusted occupancy at Long Beach Shoreline Marina would be 94.4%.

<sup>(3)</sup> Prior to 2004, Long Beach Shoreline Marina used 140 30' slips to under fill with 25' vessels. The under filling of slips is no longer permitted.

<sup>(4)</sup> Does not include 152 40-foot slips which were converted to guest and special event use during FY1999. These slips are currently in use to allow for vessel movement during the rebuilding of Long Beach Shoreline and Rainbow Harbor Marina.

Source: City of Long Beach - Department of Parks, Recreation & Marine

## TRANSFER WAITING LIST FOR BOAT SLIP FACILITIES

The following is a summary of applications on file with the Marine Bureau as of September 30, 2006, the filing date of applications currently being processed, and the mix of boat slips:

*Fiscal Year Ending of September 30, 2006*

Slip Length	Existing	Waiting List		Date of Application Being Processed	
	Slip Facilities	Transfer <sup>(1)</sup>	Waiting <sup>(2)</sup>	Transfer <sup>(1)</sup>	Waiting <sup>(2)</sup>
20 feet	454	1	39	1/27/2005	6/4/2003
25 feet	439	13	141	8/20/2003	10/15/1999
30 feet	888	82	140	1/15/2004	1/16/2005
35 feet	684	52	95	10/25/2001	8/9/2005
40 feet	663	18	163	6/3/2000	2/9/2005
45 feet	269	18	106	11/4/2001	6/7/2003
50 feet	167	21	67	3/28/2002	10/17/2003
60 feet	58	12	59	4/11/2000	5/7/2003
70 feet	13	3	22	1/30/2004	9/28/2001
80 feet	17	0	10	-	5/12/2000
Over 90 feet	0	1	10	6/4/2004	12/7/1987
<b>Total</b>	<b>3,564</b>	<b>204</b>	<b>712</b>		

<sup>(1)</sup> Transfer: Requesting a transfer either from one Marina to another or within Alamitos Bay Marina.

<sup>(2)</sup> Waiting: Waiting for slip in Marina system.

**Source:** City of Long Beach - Department of Parks, Recreation & Marine

## MARINA BOAT SLIP RENTAL RATES

The City continually reviews its slip rental rates and charges to determine their sufficiency in meeting costs associated with services and revenue requirements. Historical rates are summarized below: <sup>(1)</sup>

*Monthly Charge Per Foot of Berth as of October 1 <sup>(1)</sup>*

Length of Slip or Vessel	2006	2005	2004	2003	2002
Under 29 feet	\$8.45-\$9.65	\$8.90 - \$9.15	\$8.45 - \$8.70	\$8.25 - \$8.50	\$8.00 - \$8.25
29 to 44 feet	8.95-11.65	9.45 - 11.10	9.00 - 10.55	8.80 - 10.30	8.50 - 10.00
44 feet or more	9.80-18.00	10.35 - 19.35	9.85 - 18.45	9.60 - 18.00	9.30 - 12.00

<sup>(1)</sup> New permits are required to pay an initial fee equivalent to first and last month's rental.

**Source:** City of Long Beach - Department of Parks, Recreation & Marine

### COMPARATIVE BOAT SLIP RENTAL RATES

The Marine Bureau compiled the most recent study of the City's existing boat slip rental rates, compared to all adjacent comparable Southern California marinas in January 2007. These comparative data are shown in the tabulation below:

As of January 2007	Total Slips	Percent of Live Slips	Slip Rates <sup>(1)</sup>
<b>PUBLIC MARINA</b>			
Long Beach	3,652	13%	9.35 - 18.00
Santa Barbara Harbor, Santa Barbara	1,133	10%	6.71 - 8.65
Anacapa Isle Marina, Oxnard	444	10%	10.61 - 24.47
Balboa Yacht Basin, Newport Marina Harbor	172	-	18.00 - 23.00
Oceanside Harbor, Oceanside	975	10%	9.00 - 10.15
Shelter Cove, San Diego	161	20%	15.50 - 28.00
<b>PRIVATE MARINA</b>			
Ventura Isle Marina, Ventura	580	10%	11.52 - 14.14
Ventura West Marina, Ventura	554	50%	10.50 - 13.50
Marina City Club, Marina Del Rey	340	-	13.20 - 25.00
Marina Harbor, Marina Del Rey	321	-	11.50 - 35.00
King Harbor Marina, King Harbor	827	13%	9.00 - 17.00
Huntington Harbor, Sunset-Huntington Harbor	325	-	8.45 - 18.00
Peter's Landing Marina, Sunset-Huntington Harbor	325	-	8.45 - 18.00
Sunset Aquatic Marina, Sunset-Huntington Harbor	249	5%	15.00 - 18.00
Newport Dunes Marina, Newport Harbor	450	-	20.50 - 34.00
Dana Point Marina, Dana Point Harbor	1,494	-	10.37 - 19.71
Dana West Marina, Dana Point Harbor	980	-	9.36 - 19.70
Cabillo Marina, San Pedro	855	5%	10.50 - 20.50

<sup>(1)</sup> Rates are per foot of vessel per month.

Source: City of Long Beach - Department of Parks, Recreation & Marine

### BUDGETED CAPITAL IMPROVEMENT PROJECTS

The following table describes capital improvement projects for the Long Beach Marina.

*Fiscal Year 2007*

Description	Cost	Funding Source	
		Fund Balance	Other
Marina Restroom Rehabilitation	\$ 413,786	\$ 413,786	\$ -
Launch Ramp Repairs	\$ 2,627,463	772,510	1,854,953
Marina Parking Lots	\$ 494,892	494,892	-
Marina Facility Rehabilitation	\$ 385,000	-	385,000
Shoreline Downtown Marina Rehabilitation <sup>(1) (2)</sup>	\$ 34,248,584	2,530,584	31,718,000
Alamitos Bay Marina Rebuild <sup>(2)</sup>	\$ 11,629,533	154,533	11,475,000
<b>Total</b>	<b>\$ 49,799,258</b>	<b>\$ 4,366,305</b>	<b>\$ 45,432,953</b>

<sup>(1)</sup> FY2006 Mole Repair project was consolidated into Shoreline Downtown Marina Rehabilitation.

<sup>(2)</sup> FY2007 received additional California Department of Boating and Waterways (DBAW) loan funds.

Source: City of Long Beach - Department of Financial Management - FY2007 Budget

# REDEVELOPMENT AGENCY

## LARGEST ASSESSEES

### TOP TEN ASSESSEES IN THE CENTRAL PROJECT AREA – FY 2006-2007 <sup>(1)</sup>

The table below sets forth the ten largest assesses in the Central Project Area, whose property in aggregate comprise approximately 6.2 percent of the 2006-07 total value in the Central Project Area.

Assessee	Assessed Property	Assessed Real Property Valuation
1. Long Beach Memorial Medical Center	Hospital/ Unsecured	\$ 83,123,039
2. American Stores Properties Inc.	Neighborhood Shopping Center	24,127,598
3. Health Smart Pacific	Hospital/ Unsecured	23,321,218
4. HS Belmont LLC	Neighborhood Shopping Center	21,727,020
5. PPA Holdings LLC	Multifamily Residential	12,248,972
6. Memorial Health Services	Office & Residential	12,011,837
7. Bellamar Apartments LLC	Retail & Residential	11,846,531
8. Curtis Grieder Trust	Multifamily Residential	11,290,420
9. Catholic Healthcare West	Office	11,249,566
10. Royal Palms Apartments Inc.	Multifamily Residential	11,112,336
<b>Total</b>		<b>\$ 222,058,537</b>
<b>Share of 2006-07 Project-Wide Valuation</b>		<b>6.23%</b>

<sup>(1)</sup> Based on Los Angeles County Assessor's Fiscal Year 2006/2007 from July 1, 2006 to June 30, 2007 reported value of \$3,564,191,261.

Source: Keyser Marston & Associates, Inc.

### TOP TEN ASSESSEES IN THE DOWNTOWN PROJECT AREA – FY 2006-2007 <sup>(1)</sup>

The table below sets forth the ten largest assesses in the Downtown Project Area, whose property in aggregate comprise approximately 48.44 percent of the 2006-07 total value in the Downtown Project Area.

Assessee	Assessed Property	Assessed Real Property Valuation
1. Camden Realty Inc.	Multifamily Residential	\$ 138,054,676
2. DDR Urban LP	Possessory Interest	87,045,025
3. Trizecahn Colon Square Group LLC	Commercial Office	87,005,818
4. GRE Shoreline Square	Commercial Office	84,048,000
5. 350 Ocean Tower I LLC	Residential Condominiums	82,090,572
6. Hyatt Long Beach Corporation	Possessory Interest/ Unsecured	74,249,338
7. City Place Long Beach LLC	Regional Shopping Center	73,067,852
8. Sunstone Ocean LLC	Hotel	56,240,000
9. ASN City Place LLC	Regional Shopping Center	46,401,747
10. Long Beach Hotel Associates LLC	Hotel/ Unsecured	34,419,716
<b>Total</b>		<b>\$ 762,622,744</b>
<b>Share of 2006-07 Project-Wide Valuation</b>		<b>48.44%</b>

<sup>(1)</sup> Based on Los Angeles County Assessor's Fiscal Year 2006/2007 from July 1, 2006 to June 30, 2007 reported value of \$1,574,223,599 as adjusted to exclude a Possessory interest value of \$22.48 million that has been incorrectly included in the Downtown Project Area and value for a leasehold interest that no longer exists for a parking garage in the former Long Beach Plaza.

Source: Keyser Marston & Associates, Inc.



### TOP TEN ASSESSEES IN THE LOS ALTOS PROJECT AREA – FY 2006-2007 <sup>(1)</sup>

The table below sets forth the ten largest assessees in the Los Altos Project Area, whose property in aggregate comprise approximately 81.36 percent of the 2006-07 total value in the Los Altos Project Area.

	<b>Assessee</b>	<b>Assessed Property</b>	<b>Assessed Real Property Valuation</b>
1.	CP Venture Two LLC	Regional Shopping Center	\$ 34,048,527
2.	Dayton Hudson Corporation	Department Store	12,569,899
3.	Carter Hawley Hale Stores Inc.	Department Store	11,424,000
4.	North Los Altos Shopping Center	Regional Shopping Center	11,358,770
5.	Farmers & Merchant Bank of Long Beach	Regional Shopping Center	3,736,985
6.	John I. Bloeser Trust, et.al.	Commercial Retail	3,396,176
7.	MV Properties LLC	Commercial Retail	2,632,212
8.	Target Corporation	Unsecured	1,991,573
9.	Begonia Development Inc.	Commercial Retail	1,580,336
10.	Westside Parking Associates	Parking	1,404,058
<b>Total</b>			<b>\$ 84,142,536</b>
<b>Share of 2006-07 Project-Wide Valuation</b>			<b>81.36%</b>

<sup>(1)</sup> Based on Los Angeles County Assessor's Fiscal Year 2006/2007 from July 1, 2006 to June 30, 2007 reported value of \$103,418,805.

**Source:** Keyser Marston & Associates, Inc.

### TOP TEN ASSESSEES IN THE NORTH LONG BEACH PROJECT AREA – FY 2006-2007 <sup>(1)</sup>

The table below sets forth the ten largest assessees in the North Long Beach Project Area, whose property in aggregate comprise approximately 24.54 percent of the 2006-07 total value in the North Long Beach Project Area.

	<b>Assessee</b>	<b>Assessed Property</b>	<b>Assessed Real Property Valuation</b>
1.	Total Terminals	Possessory Interest	\$ 482,621,128
2.	Pacific Maritime Services LLC	Possessory Interest/Unsecured	407,852,803
3.	International Transportation Services	Possessory Interest/Unsecured	189,265,983
4.	APM Terminals Pacific Ltd.	Unsecured	127,738,877
5.	Long Beach Container Terminal	Possessory Interest/Unsecured	114,904,425
6.	TABC Inc.	Unsecured	107,724,920
7.	Long Beach Acquisition LLC	Unsecured	74,279,446
8.	Hughes Aircraft Company	Office & Industrial	74,255,979
9.	ARCO Terminal Services Corporation	Industrial/Mineral Processing Plant	63,639,205
10.	California United Terminals	Possessory Interest/Unsecured	47,041,697
<b>Total</b>			<b>\$ 1,689,324,463</b>
<b>Share of 2006-07 Project-Wide Valuation</b>			<b>24.54%</b>

<sup>(1)</sup> Based on Los Angeles County Assessor's Fiscal Year 2006/2007 from July 1, 2006 to June 30, 2007 reported value of \$6,884,487,788.

**Source:** Keyser Marston & Associates, Inc.

### TOP TEN ASSESSEES IN THE POLY HIGH PROJECT AREA – FY 2006-2007 <sup>(1)</sup>

The table below sets forth the ten largest assessees in the Poly High Project Area, whose property in aggregate comprise approximately 63.39 percent of the 2006-07 total value in the Poly High Project Area.

	Assessee	Assessed Property	Assessed Real Property Valuation
1.	Participants in Long Beach Unit	Mineral Rights	\$ 17,825,916
2.	Arthur Kaplan	Commercial Retail	9,283,515
3.	DNA Properties Inc.	Multifamily Residential	7,558,500
4.	Preston IV LLC	Multifamily Residential	4,298,400
5.	Christ Second Baptist Church of LB	Multifamily Residential	1,133,645
6.	Shree Ganesh Inc.	Motel	960,558
7.	Shufu Tam & Ling Wai Family Trust	Commercial Retail	780,794
8.	Michael Pope	Multifamily Residential	697,068
9.	David Gomez	Multifamily Residential	685,311
10.	Grace Chang	Multifamily Residential	643,950
<b>Total</b>			<b>\$ 43,867,657</b>
<b>Share of 2006-07 Project-Wide Valuation</b>			<b>63.39%</b>

<sup>(1)</sup> Based on Los Angeles County Assessor's Fiscal Year 2006/2007 from July 1, 2006 to June 30, 2007 reported value of \$69,201,972.

**Source:** Keyser Marston & Associates, Inc.

### TOP TEN ASSESSEES IN THE WEST BEACH PROJECT AREA – FY 2006-2007 <sup>(1)</sup>

The table below sets forth the ten largest assessees in the West Beach Project Area, whose property in aggregate comprise approximately 85.49 percent of the 2006-07 value in the West Beach Project Area.

	Assessee	Assessed Property	Assess Real Property Valuation
1.	200 Oceangate LLC	Commercial Office	\$ 62,400,000
2.	Legacy Partners/Long Beach Ocean	Commercial Office	38,000,000
3.	Porter Derosé	Commercial Office	12,796,920
4.	Molina Medical Centers	Commercial Office & Unsecured	7,246,973
5.	400 Oceangate Limited	Commercial Office	7,611,859
6.	Earth Tech Corporation	Unsecured	5,106,699
7.	Radiology Practice Management	Unsecured	1,915,457
8.	Obagi Medical Products Inc.	Unsecured	1,442,880
9.	Simpson Housing Solutions LLC	Unsecured	1,363,797
10.	DG Cogen Partners LLC	Unsecured	932,226
<b>Total</b>			<b>\$ 138,816,811</b>
<b>Share of 2006-07 Project-Wide Valuation</b>			<b>85.49%</b>

<sup>(1)</sup> Based on Los Angeles County Assessor's Fiscal Year 2006/2007 from July 1, 2006 to June 30, 2007 reported value of \$162,375,556.

**Source:** Keyser Marston & Associates, Inc.

**TOP TEN ASSESSEES IN THE WEST INDUSTRIAL PROJECT AREA – FY 2006-2007 <sup>(1)</sup>**

The table below sets forth the ten largest assessees in the West Industrial Project Area, whose property in aggregate comprise approximately 67.56 percent of the 2006-07 total value in the West Industrial Project Area.

	<b>Assessee</b>	<b>Assessed Property</b>	<b>Assessed Real Property Valuation</b>
1.	SSA and SSAT Terminals LLC	Possessory Interest & Unsecured	\$ 342,663,177
2.	Tidelands Oil Production Company	Mineral Rights & Possessory Interest	159,602,018
3.	Total Terminals International LLC	Possessory Interest & Unsecured	109,192,769
4.	Yusen Terminals Inc.	Unsecured	67,819,479
5.	Atlantic Richfield Company	Refinery	44,907,046
6.	Toyota Motor Sales/ Toyota Logistic Svcs	Possessory Interest & Unsecured	22,175,867
7.	Manson Construction Company	Unsecured	19,868,119
8.	Petro-Diamond Terminal Company	Possessory Interest & Unsecured	19,571,122
9.	BP West Coast Products	Possessory Interest	16,222,584
10.	California United Terminals	Possessory Interest & Unsecured	15,620,483
	<b>Total</b>		<b>\$ 817,642,664</b>
	<b>Share of 2006-07 Project-Wide Valuation</b>		<b>67.56%</b>

<sup>(1)</sup> Based on Los Angeles County Assessor's Fiscal Year 2006/2007 from July 1, 2006 to June 30, 2007 reported value of \$1,210,221,222.

**Source:** Keyser Marston & Associates, Inc.

## DELINQUENT TAXES

### DELINQUENT TAXES IN THE CENTRAL PROJECT AREA

Central Pledged Tax Increment Revenues are determined by the percentage of taxes collected within the Central Project Area. As of September 30, 2006, approximately 4.26 percent of the total tax increment levy for all property within the Central Project Area for the 2005-06-tax year was delinquent. The following table lists the delinquencies and (surpluses) in the total tax increment levy for the years 2002 through 2006. Tax year is based on Los Angeles County Assessor tax year from July 1- June 30.

FISCAL YEAR	TOTAL LEVY	TOTAL RECEIPTS	PERCENT COLLECTED <sup>(1)</sup>	PERCENTAGE DELINQUENT
2006	\$ 11,812,514	\$11,309,462	95.74%	4.26%
2005	7,724,100	7,419,615	96.06%	3.94%
2004	4,435,964	4,323,353	97.46%	2.54%
2003	2,265,574	2,236,278	98.71%	1.29%
2002	n/a	n/a	n/a	n/a

<sup>(1)</sup> Represents percent delinquent for the stated County Tax Year based on Total Computed Levy. Current Year Receipts only reflects amount of current year tax increment revenues allocated to the Agency and does not include administrative fees, supplemental taxes, prior year redemption payments, tax refunds, adjustments by the Los Angeles County Assessor and pass through payments.

**Source:** Redevelopment Agency of the City of Long Beach and Keyser Marston & Associates, Inc.

### DELINQUENT TAXES IN THE DOWNTOWN PROJECT AREA

Downtown Pledged Tax Increment Revenues are determined by the percentage of taxes collected within the Downtown Project Area. As of September 30, 2006, approximately 3.91 percent of the total tax increment levy for all property within the Downtown Project Area for the 2006-07-tax year was surplus. The following table lists the delinquencies and (surpluses) in the total tax increment levy for the years 2002 through 2006. Tax year is based on Los Angeles County Assessor tax year from July 1 - June 30.

FISCAL YEAR	TOTAL LEVY	TOTAL RECEIPTS	PERCENT COLLECTED <sup>(1)</sup>	PERCENTAGE DELINQUENT
2006	\$ 12,898,860	\$12,394,562	96.09%	3.91%
2005	11,762,773	12,519,963	106.44%	(6.44%)
2004	8,972,269	8,978,019	100.06%	(0.06%)
2003	7,781,192	7,597,645	97.64%	2.36%
2002	7,648,861	7,410,853	96.89%	3.11%

<sup>(1)</sup> Represents percent delinquent for the stated County Tax Year based on Total Computed Levy. Current Year Receipts only reflects amount of current year tax increment revenues allocated to the Agency and does not include administrative fees, supplemental taxes, prior year redemption payments, tax refunds, adjustments by the Los Angeles County Assessor and pass through payments.

**Source:** Redevelopment Agency of the City of Long Beach and Keyser Marston & Associates, Inc.

### **DELINQUENT TAXES IN THE LOS ALTOS PROJECT AREA**

Los Altos Pledged Tax Increment Revenues are determined by the percentage of taxes collected within the Los Altos Project Area. As of September 30, 2006 approximately 0.14 percent of the total tax increment levy for all property within the Los Altos Project Area for the 2005-06-tax year was delinquent. The following table lists the delinquencies and (surpluses) in the total tax increment levy for the years 2002 through 2006. Tax year is based on Los Angeles County Assessor tax year from July 1- June 30.

<b>FISCAL YEAR</b>	<b>TOTAL LEVY</b>	<b>TOTAL RECEIPTS</b>	<b>PERCENT COLLECTED <sup>(1)</sup></b>	<b>PERCENTAGE DELINQUENT</b>
2006	\$ 541,087	\$ 540,331	99.86%	0.14%
2005	519,344	519,204	99.97%	0.03%
2004	442,732	442,674	99.99%	0.01%
2003	447,940	447,397	99.88%	0.12%
2002	446,241	425,969	95.46%	4.54%

<sup>(1)</sup> Represents percent delinquent for the stated County Tax Year based on Total Computed Levy. Current Year Receipts only reflects amount of current year tax increment revenues allocated to the Agency and does not include administrative fees, supplemental taxes, prior year redemption payments, tax refunds, adjustments by the Los Angeles County Assessor and pass through payments.

**Source:** Redevelopment Agency of the City of Long Beach and Keyser Marston & Associates, Inc.

### **DELINQUENT TAXES IN THE NORTH LONG BEACH PROJECT AREA**

The North Long Beach Tax Increment Revenues are determined by the percentage of taxes collected within the North Long Beach Project Area. As of September 30, 2006, approximately 2.91 percent of the total tax increment levy for all property within the North Long Beach Project Area for the 2005-06-tax year was delinquent. The following table lists the delinquencies in the total tax increment levy for the years 2002 through 2006. Tax year is based on Los Angeles County Assessor tax year from July 1 - June 30.

<b>FISCAL YEAR</b>	<b>TOTAL LEVY</b>	<b>TOTAL RECEIPTS</b>	<b>PERCENT COLLECTED <sup>(1)</sup></b>	<b>PERCENTAGE DELINQUENT</b>
2006	\$32,347,364	\$ 31,406,277	97.09%	2.91%
2005	24,529,560	23,921,648	97.52%	2.48%
2004	20,335,969	19,925,107	97.98%	2.02%
2003 <sup>(2)</sup>	11,332,602	11,047,447	97.48%	2.52%
2002	9,744,571	9,557,724	98.08%	1.92%

<sup>(1)</sup> Represents percent delinquent for the stated County Tax Year based on Total Computed Levy. Current Year Receipts only reflects amount of current year tax increment revenues allocated to the Agency and does not include administrative fees, supplemental taxes, prior year redemption payments, tax refunds, adjustments by the Los Angeles County Assessor and pass through payments.

<sup>(2)</sup> Parcel audit resulted in correction of misallocated tax rate areas yielding a higher tax receipts than total levy.

**Source:** Redevelopment Agency of the City of Long Beach and Keyser Marston & Associates, Inc.

### **DELINQUENT TAXES IN THE POLY HIGH PROJECT AREA**

Poly High Tax Increment Revenues are determined by the percentage of taxes collected within the Poly High Project Area. As of September 30, 2006, approximately 2.58 percent of the total tax increment levy for all property within the Poly High Project Area for the 2005-06-tax year was delinquent. The following table lists the delinquencies in the total tax increment levy for the years 2002 through 2006. Tax year is based on Los Angeles County Assessor tax year from July 1 - June 30.

<b>FISCAL YEAR</b>	<b>TOTAL LEVY</b>	<b>TOTAL RECEIPTS</b>	<b>PERCENT COLLECTED <sup>(1)</sup></b>	<b>PERCENTAGE DELINQUENT</b>
2006	\$ 521,620	\$ 508,167	97.42%	2.58%
2005	516,047	505,425	97.94%	2.06%
2004	453,683	444,188	97.91%	2.09%
2003	417,602	407,095	97.48%	2.52%
2002	424,079	417,482	98.44%	1.56%

<sup>(1)</sup> Represents percent delinquent for the stated County Tax Year based on Total Computed Levy. Current Year Receipts only reflects amount of current year tax increment revenues allocated to the Agency and does not include administrative fees, supplemental taxes, prior year redemption payments, tax refunds, adjustments by the Los Angeles County Assessor and pass through payments.

**Source:** Redevelopment Agency of the City of Long Beach and Keyser Marston & Associates, Inc.

### **DELINQUENT TAXES IN THE WEST BEACH PROJECT AREA**

West Beach Tax Increment Revenues are determined by the percentage of taxes collected within the West Beach Project Area. As of September 30, 2006, approximately 2.87 percent of the total tax increment levy for all property within the West Beach Project Area for the 2005-06-tax year was delinquent. The following table lists the delinquencies and (surpluses) in the total tax increment levy for the years 2002 through 2006. Tax year is based on Los Angeles County Assessor tax year from July 1 - June 30.

<b>FISCAL YEAR</b>	<b>TOTAL LEVY</b>	<b>TOTAL RECEIPTS</b>	<b>PERCENT COLLECTED <sup>(1)</sup></b>	<b>PERCENTAGE DELINQUENT</b>
2006	\$ 1,346,297	\$ 1,307,650	97.13%	2.87%
2005	1,226,379	1,224,634	99.86%	0.14%
2004	1,237,154	1,232,073	99.59%	0.41%
2003	1,302,725	1,300,763	99.85%	0.15%
2002	1,216,612	1,213,667	99.76%	0.24%

<sup>(1)</sup> Represents percent delinquent for the stated County Tax Year based on Total Computed Levy. Current Year Receipts only reflects amount of current year tax increment revenues allocated to the Agency and does not include administrative fees, supplemental taxes, prior year redemption payments, tax refunds, adjustments by the Los Angeles County Assessor and pass through payments.

**Source:** Redevelopment Agency of the City of Long Beach and Keyser Marston & Associates, Inc.

### **DELINQUENT TAXES IN THE WEST INDUSTRIAL PROJECT AREA**

West Industrial Tax Increment Revenues are determined by the percentage of taxes collected within the West Industrial Project Area. As of September 30, 2006, approximately 2.94 percent of the total tax increment levy for all property within the West Industrial Project Area for the 2005-06-tax year was delinquent. The following table lists the delinquencies and (surpluses) in the total tax increment levy for the years 2002 through 2006. Tax year is based on Los Angeles County Assessor tax year from July 1 - June 30.

<b>FISCAL YEAR</b>	<b>TOTAL LEVY</b>	<b>TOTAL RECEIPTS</b>	<b>PERCENT COLLECTED<sup>(1)</sup></b>	<b>PERCENTAGE DELINQUENT</b>
2006	\$ 9,567,232	\$ 9,285,810	97.06%	2.94%
2005	7,761,308	7,597,297	97.89%	2.11%
2004	7,717,576	7,504,303	97.24%	2.76%
2003	6,224,819	6,002,370	96.43%	3.57%
2002	6,576,391	6,678,154	101.55%	(1.55%)

<sup>(1)</sup> Represents percent delinquent for the stated County Tax Year based on Total Computed Levy. Current Year Receipts only reflects amount of current year tax increment revenues allocated to the Agency and does not include administrative fees, supplemental taxes, prior year redemption.

**Source:** Redevelopment Agency of the City of Long Beach and Keyser Marston & Associates, Inc.

### **DOWNTOWN PROJECT AREA OTHER REVENUES**

#### **DOWNTOWN PROJECT AREA – FISCAL YEARS 2002 THROUGH 2006**

The following table shows the Downtown Project Area Other Revenues collected by the agency in fiscal years 2002 through 2006. Tax year is based on Los Angeles County Assessor tax year from July 1 - June 30.

<b>Fiscal Year</b>	<b>Downtown Other Revenues</b>	<b>Net Downtown Other Revenues<sup>(1)</sup></b>
2006	\$759,599	\$4,563
2005	688,694	80,282
2004	718,993	23,988
2003	838,363	168,361
2002	938,749	246,132

<sup>(1)</sup> Downtown other revenues minus maintenance and operating expenses.

**Source:** Redevelopment Agency of the City of Long Beach

## HISTORICAL TAX INCREMENT

### CENTRAL PROJECT AREA – FISCAL YEARS 2002 THROUGH 2006

The following table shows the historical tax increment for fiscal years 2002 through 2006 for the Central Project Area. Tax year is based on Los Angeles County Assessor tax year from July 1 – June 30.

	2006	2005	2004	2003	2002
<b>REPORTED ASSESSED VALUE <sup>(1)</sup></b>					
Secured	\$ 2,947,088,029	\$ 2,530,201,709	\$ 2,201,773,844	\$ 1,984,522,532	\$ 1,866,747,855
State Assessed	2,563,479	2,582,490	2,526,342	2,498,167	1,941,199
Unsecured	112,702,624	122,475,962	124,139,974	125,759,396	99,347,569
<b>Total Project Value</b>	<b>\$ 3,062,354,132</b>	<b>\$ 2,655,260,161</b>	<b>\$ 2,328,440,160</b>	<b>\$ 2,112,780,095</b>	<b>\$ 1,968,036,623</b>
Less Base Value <sup>(2)</sup>	1,888,193,407	1,888,193,407	1,888,193,407	1,888,193,407	2,034,032,304
<b>Increment Value</b>	<b>\$ 1,174,160,725</b>	<b>\$ 767,066,754</b>	<b>\$ 440,246,753</b>	<b>\$ 224,586,688</b>	<b>\$ (65,995,681)</b>
Average Tax Rate	1.0060390%	1.0069659%	1.0076086%	1.0087749%	n/a
Gross Tax Increment	\$ 11,812,514	\$ 7,724,100	\$ 4,435,964	\$ 2,265,574	n/a
Unitary Tax Revenue	-	-	-	-	n/a
<b>Total Computed Levy</b>	<b>\$ 11,812,514</b>	<b>\$ 7,724,100</b>	<b>\$ 4,435,964</b>	<b>\$ 2,265,574</b>	<b>n/a</b>
<b>TOTAL ALLOCATION <sup>(3)</sup></b>					
Secured Tax Increment	11,309,462	7,390,481	4,263,011	2,169,604	n/a
Unsecured Tax Increment	-	29,135	60,342	66,675	n/a
Unitary Tax Revenue	-	-	-	-	n/a
<b>Total Annual Tax Increment</b>	<b>\$ 11,309,462</b>	<b>\$ 7,419,616</b>	<b>\$ 4,323,353</b>	<b>\$ 2,236,279</b>	<b>n/a</b>
Variance from Computed Levy	\$ (503,052)	\$ (304,484)	\$ (112,611)	\$ (29,295)	n/a
Percent Collected (Current Levy Only)	95.74%	96.06%	97.46%	98.71%	n/a
<b>Total Allocation per County <sup>(4)</sup></b>	<b>\$ 14,691,907</b>	<b>\$ 9,979,848</b>	<b>\$ 5,746,741</b>	<b>\$ 2,403,279</b>	<b>n/a</b>
Percent Collected (All Allocations)	124.38%	129.20%	129.55%	106.08%	n/a

<sup>(1)</sup> Amounts shown are as reported by the Los Angeles County Auditor-Controller in August of each fiscal year.

<sup>(2)</sup> Base value change beginning in FY2003 reflects the adjusted base value of the New Central Project Area.

<sup>(3)</sup> Amounts represent the annual tax increment revenues allocable to the Agency and do not include administrative fees, supplemental taxes, prior year redemption payments, tax refunds, adjustments by the Los Angeles County Assessor and pass through payments.

<sup>(4)</sup> Total Allocations reflect all tax increment revenues allocated for the close of each fiscal year, as reported by the Los Angeles County Auditor-Controller. Amounts include supplemental taxes, prior year redemption payments, tax refunds, roll corrections and administrative charges.



### **DOWNTOWN PROJECT AREA – FISCAL YEARS 2002 THROUGH 2006**

The following table shows the historical tax increment for fiscal years 2002 through 2006 for the Downtown Project Area. Tax year is based on Los Angeles County Assessor tax year from July 1 – June 30.

	2006	2005	2004	2003	2002
<b>REPORTED ASSESSED VALUE <sup>(1)</sup></b>					
Secured	\$ 1,198,306,405	\$ 1,094,515,395	\$ 819,142,581	\$ 706,566,921	\$ 701,922,128
State Assessed	-	-	-	-	-
Unsecured	159,575,771	149,710,668	144,050,898	134,686,190	125,091,336
<b>Total Project Value</b>	<b>\$ 1,357,882,176</b>	<b>\$ 1,244,226,063</b>	<b>\$ 963,193,479</b>	<b>\$ 841,253,111</b>	<b>\$ 827,013,464</b>
Less Base Value <sup>(1)</sup>	119,285,031	119,285,031	119,285,031	119,285,031	119,285,031
<b>Increment Value</b>	<b>\$ 1,238,597,145</b>	<b>\$ 1,124,941,032</b>	<b>\$ 843,908,448</b>	<b>\$ 721,968,080</b>	<b>\$ 707,728,433</b>
Average Tax Rate	1.0060494%	1.0069686%	1.0076123%	1.0087421%	1.0100568%
Gross Tax Increment	\$ 12,460,900	\$ 11,327,803	\$ 8,503,325	\$ 7,282,796	\$ 7,148,459
Unitary Tax Revenue	437,961	434,971	468,944	498,396	500,402
<b>Total Computed Levy</b>	<b>\$ 12,898,861</b>	<b>\$ 11,762,774</b>	<b>\$ 8,972,269</b>	<b>\$ 7,781,192</b>	<b>\$ 7,648,861</b>
<b>TOTAL ALLOCATION <sup>(2)</sup></b>					
Secured Tax Increment	10,886,799	11,098,477	7,400,506	6,225,272	6,062,300
Unsecured Tax Increment	1,069,802	986,516	1,108,569	873,977	848,150
Unitary Tax Revenue	437,961	434,971	468,944	498,396	500,402
<b>Total Annual Tax Increment</b>	<b>\$ 12,394,562</b>	<b>\$ 12,519,964</b>	<b>\$ 8,978,019</b>	<b>\$ 7,597,645</b>	<b>\$ 7,410,852</b>
Variance from Computed Levy	\$ (504,299)	\$ 757,190	\$ 5,750	\$ (183,547)	\$ (238,009)
Percent Collected (Current Levy Only)	96.09%	106.44%	100.06%	97.64%	96.89%
<b>Total Allocation per County <sup>(3)</sup></b>	<b>\$ 13,242,889</b>	<b>\$ 13,068,096</b>	<b>\$ 10,135,600</b>	<b>\$ 8,600,406</b>	<b>\$ 7,839,223</b>
Percent Collected (All Allocations)	102.67%	111.10%	112.97%	110.53%	102.49%

<sup>(1)</sup> Amounts shown are as reported by the Los Angeles County Auditor-Controller in August of each fiscal year. Since FY 2002, a possessory interest assessment totaling \$22.48 million has been incorrectly included in the County's aggregation of the Downtown Project Area value for a leasehold interest that no longer exists on a parking garage in the former Long Beach Plaza. In FY 2002 and 2005 an exemption of the Long Beach Aquarium totaling \$87.1 million and \$93.5 million, respectively, was not included in the County's aggregation of the Project Area value. Both of these adjustments are reflected in the annual values shown above and will therefore vary from the County's original reported value.

<sup>(2)</sup> Amounts represent the annual tax increment revenues allocable to the agency and do not include administrative fees, supplemental taxes, prior year redemption payments, tax refunds, adjustments by the Los Angeles County Assessor and pass through payments.

<sup>(3)</sup> Total Allocations reflect all tax increment revenues allocated for the close of each fiscal year, as reported by the Los Angeles County Auditor-Controller. Amounts include supplemental taxes, prior year redemption payments, tax refunds, roll corrections and administrative charges.

**Source:** Keyser Marston Associates, Inc. and Los Angeles County Auditor-Controller year-end remittance advice summaries

### **LOS ALTOS PROJECT AREA – FISCAL YEARS 2002 THROUGH 2006**

The following table shows the historical tax increment for fiscal years 2002 through 2006 for the Los Altos Project Area. Tax year is based on Los Angeles County Assessor tax year from July 1 – June 30.

	2006	2005	2004	2003	2002
<b>REPORTED ASSESSED VALUE <sup>(1)</sup></b>					
Secured	\$ 81,399,159	\$ 78,986,572	\$ 71,950,157	\$ 73,209,500	\$ 71,828,629
State Assessed	-	-	-	-	-
Unsecured	12,280,408	12,484,358	11,886,922	11,097,661	12,253,949
<b>Total Project Value</b>	<b>\$ 93,679,567</b>	<b>\$ 91,470,930</b>	<b>\$ 83,837,079</b>	<b>\$ 84,307,161</b>	<b>\$ 84,082,578</b>
Less Base Value <sup>(1)</sup>	39,896,120	39,896,120	39,896,120	39,896,120	39,896,120
<b>Increment Value</b>	<b>\$ 53,783,447</b>	<b>\$ 51,574,810</b>	<b>\$ 43,940,959</b>	<b>\$ 44,411,041</b>	<b>\$ 44,186,458</b>
Average Tax Rate	1.0060442%	1.0069688%	1.0075560%	1.0086174%	1.0098985%
Gross Tax Increment	\$ 541,085	\$ 519,342	\$ 442,730	\$ 447,938	\$ 446,238
Unitary Tax Revenue	2	2	2	2	2
<b>Total Computed Levy</b>	<b>\$ 541,087</b>	<b>\$ 519,344</b>	<b>\$ 442,732</b>	<b>\$ 447,940</b>	<b>\$ 446,240</b>
<b>TOTAL ALLOCATION <sup>(2)</sup></b>					
Secured Tax Increment	465,581	441,717	371,076	384,100	370,712
Unsecured Tax Increment	74,748	77,485	71,595	63,294	55,255
Unitary Tax Revenue	2	2	2	2	2
<b>Total Annual Tax Increment</b>	<b>\$ 540,331</b>	<b>\$ 519,204</b>	<b>\$ 442,673</b>	<b>\$ 447,396</b>	<b>\$ 425,969</b>
Variance from Computed Levy	\$ (756)	\$ (140)	\$ (59)	\$ (544)	\$ (20,271)
Percent Collected (Current Levy Only)	99.86%	99.97%	99.99%	99.88%	95.46%
<b>Total Allocation per County <sup>(3)</sup></b>	<b>\$ 533,984</b>	<b>\$ 539,733</b>	<b>\$ 562,375</b>	<b>\$ 385,243</b>	<b>\$ 1,286,079</b>
Percent Collected (All Allocations)	98.69%	103.93%	127.02%	86.00%	288.20%

<sup>(1)</sup> Amounts shown are as reported by the Los Angeles County Auditor-Controller in August of each fiscal year.

<sup>(2)</sup> Amounts represent the annual tax increment revenues allocable to the agency and do not include administrative fees, supplemental taxes, prior year redemption payments, tax refunds, adjustments by the Los Angeles County Assessor and pass through payments.

<sup>(3)</sup> Total Allocations reflect all tax increment revenues allocated for the close of each fiscal year, as reported by the Los Angeles County Auditor-Controller. Amounts include supplemental taxes, prior year redemption payments, tax refunds, roll corrections and administrative charges.

**Source:** Keyser Marston Associates, Inc. and Los Angeles County Auditor-Controller year-end remittance advice summaries

### **NORTH LONG BEACH PROJECT AREA – FISCAL YEARS 2002 THROUGH 2006**

THE following table shows the historical tax increment for fiscal years 2002 through 2006 for the North Long Beach Project Area. Tax year is based on Los Angeles County Assessor tax year from July 1 – June 30.

	2006	2005	2004	2003	2002
<b>REPORTED ASSESSED VALUE <sup>(1)</sup></b>					
Secured	\$ 5,354,365,384	\$ 4,746,249,271	\$ 4,412,362,993	\$ 3,615,116,290	\$ 3,490,731,480
State Assessed	1,419,926	1,425,022	854,354	1,047,701	1,074,187
Unsecured	964,047,071	792,821,059	709,668,032	611,974,347	577,061,312
<b>Total Project Value</b>	<b>\$ 6,319,832,381</b>	<b>\$ 5,540,495,352</b>	<b>\$ 5,122,885,379</b>	<b>\$ 4,228,138,338</b>	<b>\$ 4,068,866,979</b>
Less Base Value <sup>(1)</sup>	3,104,508,715	3,104,508,715	3,104,508,715	3,104,508,715	3,104,508,715
<b>Increment Value</b>	<b>\$ 3,215,323,666</b>	<b>\$ 2,435,986,637</b>	<b>\$ 2,018,376,664</b>	<b>\$ 1,123,629,623</b>	<b>\$ 964,358,264</b>
Average Tax Rate	1.0060376%	1.0069661%	1.0075408%	1.0085709%	1.0104721%
Gross Tax Increment	\$ 32,347,364	\$ 24,529,560	\$ 20,335,969	\$ 11,332,602	\$ 9,744,571
Unitary Tax Revenue	-	-	-	-	-
<b>Total Computed Levy</b>	<b>\$ 32,347,364</b>	<b>\$ 24,529,560</b>	<b>\$ 20,335,969</b>	<b>\$ 11,332,602</b>	<b>\$ 9,744,571</b>
<b>TOTAL ALLOCATION <sup>(2)</sup></b>					
Secured Tax Increment	25,902,799	20,156,141	16,915,195	8,999,654	7,803,599
Unsecured Tax Increment	5,503,477	3,765,507	3,009,912	2,047,793	1,754,126
Unitary Tax Revenue	-	-	-	-	-
<b>Total Annual Tax Increment</b>	<b>\$ 31,406,276</b>	<b>\$ 23,921,648</b>	<b>\$ 19,925,107</b>	<b>\$ 11,047,447</b>	<b>\$ 9,557,725</b>
Variance from Computed Levy	\$ (941,088)	\$ (607,912)	\$ (410,862)	\$ (285,155)	\$ (186,846)
Percent Collected (Current Levy Only)	97.09%	97.52%	97.98%	97.48%	98.08%
<b>Total Allocation per County <sup>(3)</sup></b>	<b>\$ 38,104,748</b>	<b>\$ 30,615,305</b>	<b>\$ 26,092,608</b>	<b>\$ 13,286,238</b>	<b>\$ 10,253,284</b>
Percent Collected (All Allocations)	117.80%	124.81%	128.31%	117.24%	105.22%

<sup>(1)</sup> Amounts shown are as reported by the Los Angeles County Auditor-Controller in August of each fiscal year.

<sup>(2)</sup> Amounts represent the annual tax increment revenues allocable to the agency and do not include administrative fees, supplemental taxes, prior year redemption payments, tax refunds, adjustments by the Los Angeles County Assessor and pass through payments.

<sup>(3)</sup> Total Allocations reflect all tax increment revenues allocated for the close of each fiscal year, as reported by the Los Angeles County Auditor-Controller. Amounts include supplemental taxes, prior year redemption payments, tax refunds, roll corrections and administrative charges.

**Source:** Keyser Marston Associates, Inc. and Los Angeles County Auditor-Controller year-end remittance advice summaries

## **POLY HIGH PROJECT AREA – FISCAL YEARS 2002 THROUGH 2006**

The following table shows the historical tax increment for fiscal years 2002 through 2006 for the Poly High Project Area. Tax year is based on Los Angeles County Assessor tax year from July 1 – June 30.

	2006	2005	2004	2003	2002
<b>REPORTED ASSESSED VALUE <sup>(1)</sup></b>					
Secured	\$ 53,794,253	\$ 53,401,873	\$ 47,682,780	\$ 44,217,525	\$ 44,931,252
State Assessed	-	-	-	-	-
Unsecured	2,717,566	2,514,499	1,955,155	1,744,752	1,615,654
<b>Total Project Value</b>	<b>\$ 56,511,819</b>	<b>\$ 55,916,372</b>	<b>\$ 49,637,935</b>	<b>\$ 45,962,277</b>	<b>\$ 46,546,906</b>
Less Base Value <sup>(1)</sup>	5,426,680	5,426,680	5,426,680	5,426,680	5,426,680
<b>Increment Value</b>	<b>\$ 51,085,139</b>	<b>\$ 50,489,692</b>	<b>\$ 44,211,255</b>	<b>\$ 40,535,597</b>	<b>\$ 41,120,226</b>
Average Tax Rate	1.0060462%	1.0069767%	1.0075727%	1.0086516%	1.0099451%
Gross Tax Increment	\$ 513,940	\$ 508,419	\$ 445,461	\$ 408,863	\$ 415,292
Unitary Tax Revenue	7,679	7,627	8,223	8,739	8,787
<b>Total Computed Levy</b>	<b>\$ 521,619</b>	<b>\$ 516,046</b>	<b>\$ 453,684</b>	<b>\$ 417,602</b>	<b>\$ 424,079</b>
<b>TOTAL ALLOCATION <sup>(2)</sup></b>					
Secured Tax Increment	476,685	475,140	420,666	385,017	397,062
Unsecured Tax Increment	23,802	22,657	15,300	13,339	11,633
Unitary Tax Revenue	7,679	7,627	8,223	8,739	8,787
<b>Total Annual Tax Increment</b>	<b>\$ 508,166</b>	<b>\$ 505,424</b>	<b>\$ 444,189</b>	<b>\$ 407,095</b>	<b>\$ 417,482</b>
Variance from Computed Levy	\$ (13,453)	\$ (10,622)	\$ (9,495)	\$ (10,507)	\$ (6,597)
Percent Collected (Current Levy Only)	97.42%	97.94%	97.91%	97.48%	98.44%
<b>Total Allocation per County <sup>(3)</sup></b>	<b>\$ 130,868 <sup>(4)</sup></b>	<b>\$ 531,047</b>	<b>\$ 534,762</b>	<b>\$ 530,755</b>	<b>\$ 637,140</b>
Percent Collected (All Allocations)	25.09%	102.91%	117.87%	127.10%	150.24%

<sup>(1)</sup> Amounts shown are as reported by the Los Angeles County Auditor-Controller in August of each fiscal year.

<sup>(2)</sup> Amounts represent the annual tax increment revenues allocable to the agency and do not include administrative fees, supplemental taxes, prior year redemption payments, tax refunds, adjustments by the Los Angeles County Assessor and pass through payments.

<sup>(3)</sup> Total Allocations reflect all tax increment revenues allocated for the close of each fiscal year, as reported by the Los Angeles County Auditor-Controller. Amounts include supplemental taxes, prior year redemption payments, tax refunds, roll corrections and administrative charges.

<sup>(4)</sup> The significant reduction in FY2006 tax increment receipt due to appeal of one property's value. The County reimbursed the property owner for past overpayments.

**Source:** Keyser Marston Associates, Inc. and Los Angeles County Auditor-Controller year-end remittance advice summaries

### **WEST BEACH PROJECT AREA – FISCAL YEARS 2002 THROUGH 2006**

The following table shows the historical tax increment for fiscal years 2002 through 2006 for the West Beach Project Area. Tax year is based on Los Angeles County Assessor tax year from July 1 – June 30.

	2006	2005	2004	2003	2002
<b>REPORTED ASSESSED VALUE <sup>(1)</sup></b>					
Secured	\$ 111,386,890	\$ 107,464,548	\$ 106,760,424	\$ 112,214,577	\$ 104,484,225
State Assessed	-	-	-	-	-
Unsecured	26,003,990	17,898,549	19,563,925	20,449,811	19,486,352
<b>Total Project Value</b>	<b>\$ 137,390,880</b>	<b>\$ 125,363,097</b>	<b>\$ 126,324,349</b>	<b>\$ 132,664,388</b>	<b>\$ 123,970,577</b>
Less Base Value <sup>(1)</sup>	4,055,538	4,055,538	4,055,538	4,055,538	4,055,538
<b>Increment Value</b>	<b>\$ 133,335,342</b>	<b>\$ 121,307,559</b>	<b>\$ 122,268,811</b>	<b>\$ 128,608,850</b>	<b>\$ 119,915,039</b>
Average Tax Rate	1.0060440%	1.0069681%	1.0075541%	1.0086141%	1.0099012%
Gross Tax Increment	\$ 1,341,412	\$ 1,221,528	\$ 1,231,924	\$ 1,297,167	\$ 1,211,023
Unitary Tax Revenue	4,884	4,851	5,230	5,558	5,589
<b>Total Computed Levy</b>	<b>\$ 1,346,296</b>	<b>\$ 1,226,379</b>	<b>\$ 1,237,154</b>	<b>\$ 1,302,725</b>	<b>\$ 1,216,612</b>
<b>TOTAL ALLOCATION <sup>(2)</sup></b>					
Secured Tax Increment	1,084,337	1,045,934	1,039,417	1,095,323	1,018,822
Unsecured Tax Increment	218,429	173,849	187,425	199,882	189,256
Unitary Tax Revenue	4,884	4,851	5,230	5,558	5,589
<b>Total Annual Tax Increment</b>	<b>\$ 1,307,650</b>	<b>\$ 1,224,634</b>	<b>\$ 1,232,072</b>	<b>\$ 1,300,763</b>	<b>\$ 1,213,667</b>
Variance from Computed Levy	\$ (38,646)	\$ (1,745)	\$ (5,082)	\$ (1,962)	\$ (2,945)
Percent Collected (Current Levy Only)	97.13%	99.86%	99.59%	99.85%	99.76%
<b>Total Allocation per County <sup>(3)</sup></b>	<b>\$ 1,287,113</b>	<b>\$ 1,050,406</b>	<b>\$ 1,050,515</b>	<b>\$ 1,316,040</b>	<b>\$ 1,017,580</b>
Percent Collected (All Allocations)	95.60%	85.65%	84.91%	101.02%	83.64%

<sup>(1)</sup> Amounts shown are as reported by the Los Angeles County Auditor-Controller in August of each fiscal year.

<sup>(2)</sup> Amounts represent the annual tax increment revenues allocable to the agency and do not include administrative fees, supplemental taxes, prior year redemption payments, tax refunds, adjustments by the Los Angeles County Assessor and pass through payments.

<sup>(3)</sup> Total Allocations reflect all tax increment revenues allocated for the close of each fiscal year, as reported by the Los Angeles County Auditor-Controller. Amounts include supplemental taxes, prior year redemption payments, tax refunds, roll corrections and administrative charges.

**Source:** Keyser Marston Associates, Inc. and Los Angeles County Auditor-Controller year-end remittance advice summaries

**WEST INDUSTRIAL PROJECT AREA – FISCAL YEARS 2002 THROUGH 2006**

The following table shows the historical tax increment for fiscal years 2002 through 2006 for the West Industrial Project Area. Tax year is based on Los Angeles County Assessor tax year from July 1 – June 30.

	2006	2005	2004	2003	2002
<b>REPORTED ASSESSED VALUE <sup>(1)</sup></b>					
Secured	\$ 738,429,193	\$ 574,015,324	\$ 541,360,655	\$ 450,522,387	\$ 492,796,561
States Assessed	10,946,489	30,389,710	59,293,343	14,302,497	14,439,816
Unsecured	266,446,931	230,744,303	222,087,558	202,575,711	193,879,622
<b>Total Project Value</b>	<b>\$ 1,015,822,613</b>	<b>\$ 835,149,337</b>	<b>\$ 822,741,556</b>	<b>\$ 667,400,595</b>	<b>\$ 701,115,999</b>
Less Base Value <sup>(1)</sup>	162,703,452	162,703,452	162,703,452	162,703,452	162,703,452
<b>Increment Value</b>	<b>\$ 853,119,161</b>	<b>\$ 672,445,885</b>	<b>\$ 660,038,104</b>	<b>\$ 504,697,143</b>	<b>\$ 538,412,547</b>
Average Tax Rate	1.0046019%	1.0069706%	1.0075596%	1.0086226%	1.0099124%
Gross Tax Increment	\$ 8,570,451	\$ 6,771,332	\$ 6,650,277	\$ 5,090,489	\$ 5,437,495
Unitary Tax Revenue	996,781	989,976	1,067,298	1,134,330	1,138,896
<b>Total Computed Levy</b>	<b>\$ 9,567,232</b>	<b>\$ 7,761,308</b>	<b>\$ 7,717,575</b>	<b>\$ 6,224,819</b>	<b>\$ 6,576,391</b>
<b>TOTAL ALLOCATION <sup>(2)</sup></b>					
Secured Tax Increment	6,396,038	4,903,388	4,869,202	3,446,781	3,873,743
Unsecured Tax Increment	1,892,991	1,703,934	1,567,803	1,421,259	1,665,515
Unitary Tax Revenue	996,781	989,976	1,067,298	1,134,330	1,138,896
<b>Total Annual Tax Increment</b>	<b>\$ 9,285,810</b>	<b>\$ 7,597,298</b>	<b>\$ 7,504,303</b>	<b>\$ 6,002,370</b>	<b>\$ 6,678,154</b>
Variance from Computed Levy	\$ (281,422)	\$ (164,010)	\$ (213,272)	\$ (222,449)	\$ 101,763
Percent Collected (Current Levy Only)	97.06%	97.89%	97.24%	96.43%	101.55%
<b>Total Allocation per County <sup>(3)</sup></b>	<b>\$ 11,246,292</b>	<b>\$ 7,918,487</b>	<b>\$ 8,008,727</b>	<b>\$ 7,395,828</b>	<b>\$ 9,300,160</b>
Percent Collected (All Allocations)	117.55%	102.03%	103.77%	118.81%	141.42%

<sup>(1)</sup> Amounts shown are as reported by the Los Angeles County Auditor-Controller in August of each fiscal year.

<sup>(2)</sup> Amounts represent the annual tax increment revenues allocable to the agency and do not include administrative fees, supplemental taxes, prior year redemption payments, tax refunds, adjustments by the Los Angeles County Assessor and pass through payments.

<sup>(3)</sup> Total Allocations reflect all tax increment revenues allocated for the close of each fiscal year, as reported by the Los Angeles County Auditor-Controller. Amounts include supplemental taxes, prior year redemption payments, tax refunds, roll corrections and administrative charges.

**Source:** Keyser Marston Associates, Inc. and Los Angeles County Auditor-Controller year-end remittance advice summaries

## DEBT SERVICE AND COVERAGE PROJECTIONS

### CENTRAL PROJECT AREA – CENTRAL BONDS

The following table shows the debt service schedule and calculation of debt service coverage for the Series 2006 Central Project Bonds, based upon actual tax increment revenues available for debt service.

<b>Fiscal Year Ending September 30</b>	<b>Central Tax Increment Revenues Available For Debt Service <sup>(1)</sup></b>	<b>Series 2005 Central Bonds Debt Service <sup>(2)</sup></b>	<b>Debt Coverage on Series 2005 Central Bonds <sup>(3)</sup></b>
2005	\$7,853,288	\$1,196,962	6.56x
2006	\$11,622,226	\$3,635,276	3.20x

<sup>(1)</sup> Commencing in FY 2005-06 the net tax increment revenues have been updated by Keyser Marston Associates, Inc. based upon assessed values reported by the County Auditor-Controller in FY 2005-06 and FY 2006-07.

<sup>(2)</sup> Includes debt service due on \$56,930,000 aggregate principal amount and surplus payments related to the Series 2005 Central Bonds.

<sup>(3)</sup> Equals Projected Central Tax Increment Revenues Available for Debt Service divided by Total Series 2005 Central Bonds Debt Service.

**Source:** Keyser Marston Associates, Inc.

### DOWNTOWN PROJECT AREA – DOWNTOWN BONDS

The following table shows the debt service schedule and calculation of debt service coverage for the Series 1992A Downtown Bonds, 2002B Downtown Bonds and 2002A Downtown Bonds, which are part of the 2005C RDA bonds, based upon actual tax increment revenues available for debt service.

<b>Fiscal Year Ending September 30</b>	<b>Downtown Tax Increment Revenues Available For Debt Service <sup>(1)</sup></b>	<b>Series 1992A Downtown Bonds Debt Service <sup>(2)</sup></b>	<b>Series 2002B Downtown Bonds Debt Service</b>	<b>Downtown Tax Increment to Pay 2002A Downtown Debt Service <sup>(3)</sup></b>	<b>Series 2002A Downtown Bonds Debt Service</b>
2002	\$6,137,848	\$6,700,735	\$ -	n/a	\$ -
2003	\$6,817,356	\$3,750,308	\$539,495	\$2,527,553	\$2,104,418
2004	\$7,971,662	\$2,305,968	\$3,006,194	\$2,659,501	\$2,109,526
2005	\$10,281,284	\$2,305,968	\$2,877,975	\$5,097,342	\$2,109,476
2006	\$10,437,323	\$4,291,151	\$1,243,825	\$4,902,347	\$1,743,676

<b>Fiscal Year Ending September 30</b>	<b>Debt Coverage 1992A &amp; 2002B Downtown Bonds</b>	<b>Debt Coverage 2002A Downtown Bonds</b>	<b>Debt Coverage 1992A, 2002B and 2002A Downtown Bonds</b>
2002	0.92x	n/a	n/a
2003	1.59x	1.20x	1.07x
2004	1.50x	1.26x	1.07x
2005	1.98x	2.42x	1.41x
2006	1.89x	2.81x	1.43x

<sup>(1)</sup> Commencing in FY 2005-06 the net tax increment revenues have been updated by Keyser Marston Associates, Inc. based upon assessed values reported by the County Auditor-Controller in FY 2005-06 and FY 2006-07.

<sup>(2)</sup> Debt service after the defeasance of the refunded series 1992A downtown bonds in FY2005 and FY2006.

<sup>(3)</sup> Downtown Tax Increment to pay Downtown 2002A Downtown Debt Service may include Downtown Other Revenues as specified in bond transcripts.

**Source:** Keyser Marston Associates, Inc.

### **LOS ALTOS PROJECT AREA – LOS ALTOS BONDS**

The following table shows the debt service schedule and calculation of debt service coverage for the Los Altos Bonds based upon actual tax increment revenues available for debt service.

<b>Fiscal Year Ending September 30</b>	<b>Los Altos Tax Increment Revenues Available For Debt Service <sup>(1)</sup></b>	<b>Series 2005 Los Altos Bonds Debt Service <sup>(2)</sup></b>	<b>Debt Coverage on Los Altos Bonds <sup>(3)</sup></b>
2005	\$439,082	\$61,741	7.11x
2006	\$443,190	\$404,173	1.10x

<sup>(1)</sup> Commencing in FY 2005-06 the net tax increment revenues have been updated by Keyser Marston Associates, Inc. based upon assessed values reported by the County Auditor-Controller in FY 2005-06 and FY 2006-07.

<sup>(2)</sup> Includes debt service due on \$4,685,000 aggregate principal amount and surplus payments related to the Series 2005 Los Altos Bonds.

<sup>(3)</sup> Equals Projected Los Altos Tax Increment Revenues Available for Debt Service divided by Total Series 2005 Los Altos Bonds Debt Service.

**Source:** Keyser Marston Associates, Inc.

### **NORTH LONG BEACH PROJECT AREA – NORTH LONG BEACH BONDS**

The following table shows the debt service schedule and calculation of debt service coverage for the North Long Beach Bonds based upon actual tax increment revenues available for debt service.

<b>Fiscal Year Ending September 30</b>	<b>North Long Beach Tax Increment Revenues Available For Debt Service <sup>(1)</sup></b>	<b>Series 2002 North Long Beach Bonds Debt Service <sup>(2)</sup></b>	<b>Series 2005 North Long Beach Bonds Debt Service <sup>(3)</sup></b>	<b>Series 2005 Supplemental North LB Bonds Debt Service <sup>(4)</sup></b>	<b>Debt Coverage Series 2002 and Series 2005 North Long Beach Bonds <sup>(5)</sup></b>
2003	\$6,817,356	\$3,015,675	\$ -	\$ -	2.26x
2004	\$7,971,662	\$3,016,779	\$ -	\$ -	2.64x
2005	\$10,281,284	\$3,010,614	\$1,314,333	\$ -	2.38x
2006	\$10,437,323	\$3,014,679	\$4,299,028	\$ -	1.43x

<sup>(1)</sup> Commencing in FY 2005-06 the net tax increment revenues have been updated by Keyser Marston Associates, Inc. based upon assessed values reported by the County Auditor-Controller in FY 2005-06 and FY 2006-07.

<sup>(2)</sup> Includes debt service due on the Series 2002 North Long Beach Bonds plus projected surplus payments to be made with respect to Series 2002 North Long Beach Bonds.

<sup>(3)</sup> Includes debt service due on \$64,080,000 aggregate principal amount and surplus payments as related to the Series 2005 North Long Beach Bonds.

<sup>(4)</sup> Includes debt service due on \$2,557,753 initial amount of Series 2005 Supplemental North Long Beach Bonds, if issued.

<sup>(5)</sup> Equals Projected North Long Beach Tax Increment Revenues Available for Debt Service divided by the sum of Total Series 2002 North Long Beach Bonds Debt Service, Total Series 2005 North Long Beach Bonds Debt Service and Total Series 2005 Supplemental North Long Beach Bonds Debt Service.

**Source:** Keyser Marston Associates, Inc.



### **POLY HIGH PROJECT AREA – POLY HIGH BONDS**

The following table shows the debt service schedule and calculation of debt service coverage for the Poly High Bonds based upon actual tax increment revenues available for debt service.

<b>Fiscal Year Ending September 30</b>	<b>Poly High Tax Increment Revenues Available For Debt Service <sup>(1)</sup></b>	<b>Series 2002 Poly High Bonds Debt Service <sup>(2)</sup></b>	<b>Series 2005 Poly High Bonds Debt Service <sup>(3)</sup></b>	<b>Debt Coverage on Poly High Bonds <sup>(4)</sup></b>
2003	\$417,829	\$221,450	\$ -	1.89x
2004	\$420,699	\$222,928	\$ -	1.89x
2005	\$417,558	\$222,859	\$ -	1.87x
2006	\$98,087	\$219,454	\$ -	0.45x

<sup>(1)</sup> Commencing in FY 2005-06 the net tax increment revenues have been updated by Keyser Marston Associates, Inc. based upon assessed values reported by the County Auditor-Controller in FY 2005-06 and FY 2006-07.

<sup>(2)</sup> Includes debt service due on the Series 2002 Poly High Bonds plus projected surplus payments to be made with respect to Series 2002 Poly High Bonds.

<sup>(3)</sup> Includes debt service due on \$2,557,753 initial amount of Series 2005 Supplemental Poly High Bonds, if issued.

<sup>(4)</sup> Equals Projected Poly High Tax Increment Revenues Available for Debt Service divided by the sum of Total Series 2002 Poly High Bonds Debt Service and Total Series 2005 Poly High Debt Service.

**Source:** Keyser Marston Associates, Inc.

### **WEST BEACH PROJECT AREA – WEST BEACH BONDS**

The following table shows the debt service schedule and calculation of debt service coverage for the West Beach Bonds based upon actual tax increment revenues available for debt service.

<b>Fiscal Year Ending September 30</b>	<b>West Beach Tax Increment Revenues Available For Debt Service <sup>(1)</sup></b>	<b>Total Series 2002 West Beach Bonds Debt Service <sup>(2)</sup></b>	<b>Total Series 2005 West Beach Bonds Debt Service</b>	<b>Debt Coverage on West Beach Bonds <sup>(3)</sup></b>
2003	\$1,032,514	\$834,797	\$ -	1.24x
2004	\$821,684	\$835,133	\$ -	0.98x
2005	\$823,554	\$834,139	\$ -	0.99x
2006	\$1,013,244	\$835,251	\$ -	1.21x

<sup>(1)</sup> Commencing in FY 2005-06 the net tax increment revenues have been updated by Keyser Marston Associates, Inc based upon assessed values reported by the County Auditor-Controller in FY 2005-06 and FY 2006-07.

<sup>(2)</sup> Includes debt service due on the Series 2002 West Beach Bonds plus projected surplus payments to be made with respect to Series 2002 West Beach Bonds

<sup>(3)</sup> Equal to the quotient of (A) Projected West Beach Tax Increment Revenues Available for Debt Service divided by (B) the Total Series 2002 West Beach Bonds Debt Service plus Total Series 2005 West Beach Bonds Debt Service.

**Source:** Keyser Marston Associates, Inc.

### **WEST INDUSTRIAL PROJECT AREA – WEST INDUSTRIAL BONDS**

The following table shows the debt service schedule and calculation of debt service coverage for the West Industrial Bonds based upon actual tax increment revenues available for debt service.

<b>Fiscal Year Ending September 30</b>	<b>West Industrial Tax Increment Revenues Available For Debt Service <sup>(1)</sup></b>	<b>Series 1992A West Industrial Bonds Debt Service <sup>(2)</sup></b>	<b>Series 2002B West Industrial Bonds Debt Service</b>	<b>Debt Coverage 1992A &amp; 2002B West Industrial Bonds</b>
2002	\$7,339,596	\$2,560,660	\$ -	2.87x
2003	\$5,820,881	\$1,840,185	\$442,591	2.55x
2004	\$6,292,052	\$1,038,345	\$2,164,115	1.96x
2005	\$6,230,609	\$1,038,345	\$2,051,909	2.02x
2006	\$8,882,301	\$1,931,435	\$1,150,759	2.88x

<sup>(1)</sup> Commencing in FY 2005-06 the net tax increment revenues have been updated by Keyser Marston Associates, Inc based upon assessed values reported by the County Auditor-Controller in FY 2005-06 and FY 2006-07.

<sup>(2)</sup> Debt service after the defeasance of the Refunded West Industrial Bonds.

<sup>(3)</sup> Equal to the quotient of (A) Projected West Industrial Pledged Tax Revenues Available for Debt Service divided by (B) the Sum of Total Series 1992A West Industrial Bond Debt Service plus Total West Industrial Debt Service.

**Source:** Keyser Marston Associates. Inc.

### **HOUSING BONDS**

The following table shows the debt service schedule and calculation of debt service coverage for the Housing Bonds based upon actual tax increment revenues available for debt service.

<b>Fiscal Year Ending September 30</b>	<b>Housing Tax Increment Revenues Available For Debt Service <sup>(1)</sup></b>	<b>Total Series 2005 Housing Bonds Debt Service <sup>(2)</sup></b>	<b>Debt Coverage on Housing Bonds <sup>(3)</sup></b>
2005	\$12,744,239	\$1,209,730	10.53x
2006	\$17,151,561	\$3,651,096	4.70x

<sup>(1)</sup> Commencing in FY 2005-06 the net tax increment revenues have been updated by Keyser Marston Associates, Inc. based upon assessed values reported by the County Auditor-Controller in FY 2005-06 and FY 2006-07.

<sup>(2)</sup> Includes debt service due on \$55,665,000 aggregate principal amount of Series 2005 Housing Bonds plus projected Surplus Payments to be made with respect to the Series 2005 Housing Bonds.

<sup>(3)</sup> Equals Projected Housing Tax Increment Revenues Available for Debt Service divided by Total Series 2005 Housing Bonds Debt Service.

**Source:** Keyser Marston Associates, Inc.

## HOUSING SET-ASIDE

### FISCAL YEARS 2002 THROUGH 2006

The following tables show the amount of the housing set-asides and unpaid balances as of the end of fiscal years 2002 through 2006 by project area.

#### Central Project Area

Fiscal Year	Housing Set-Aside
2006	\$2,938,381
2005	1,995,970
2004	1,149,348
2003	480,656
2002	n/a

#### Downtown Project Area

Fiscal Year	Housing Set-Aside
2006	\$2,648,578
2005	2,613,619
2004	2,027,120
2003	1,391,192
2002	1,505,829

#### Los Altos Project Area

Fiscal Year	Housing Set-Aside
2006	\$110,797
2005	111,602
2004	115,814
2003	80,055
2002	129,897

#### North Long Beach Project Area

Fiscal Year	Housing Set-Aside
2006	\$8,920,950
2005	6,123,061
2004	5,218,522
2003	2,657,248
2002	2,050,657

#### Poly High Project Area

Fiscal Year	Housing Set-Aside
2006	\$26,174 <sup>(1)</sup>
2005	106,209
2004	106,952
2003	106,151
2002	127,428

#### West Industrial Project Area

Fiscal Year	Housing Set-Aside
2006	\$2,249,258
2005	1,583,697
2004	1,601,745
2003	1,479,166
2002	1,860,032

#### West Beach Project Area

Fiscal Year	Housing Set-Aside	Unpaid Balance
2006	\$257,423	\$0
2005	210,081	0
2004	210,103	0
2003	263,208	0
2002	203,516	0

#### Total Housing Set-Aside

#### All Project Areas

Fiscal Year	Housing Set-Aside
2006	17,151,561
2005	12,744,239
2004	10,429,604
2003	6,457,676
2002	5,877,359

**Source:** Redevelopment Agency of the City of Long Beach

<sup>(1)</sup> Housing set-aside amount reflects 20 percent of tax increment received by the project area in FY2006.

# SOUTHEAST RESOURCE RECOVERY FACILITY (SERRF) AUTHORITY

SERRF provides municipal solid waste disposal services to the City, Los Angeles County Sanitation District No. 2 and the City of Lakewood, and processes refuse collected to generate electrical power.

SERRF is located on a 17.2 acre site on Terminal Island in the southwest portion of the City, owned by the Authority and leased to the City. The SERRF site consists of refuse transfer, storage and disposal facilities, three mass-burn boilers, a turbine generator, an air emission control system and an administration building.

## REFUSE PROCESSED AND ENERGY SOLD TO SOUTHERN CALIFORNIA EDISON

### FISCAL YEARS 2002 THROUGH 2006

The following table shows the total amount of refuse processed and energy sold to Edison for the fiscal years 2002 through 2006.

*Fiscal Year Ending September 30*

<b>Fiscal Year</b>	<b>Refuse Processed (Tons)</b>	<b>Energy Sold To Edison (KWH)</b>
2006	495,794	236,383,704
2005	463,956	206,640,288
2004	490,196	233,061,840
2003	495,541	230,619,204
2002	504,626	236,730,000

**Source:** Southeast Resource Recovery Facility Authority

## ELECTRIC AND REFUSE REVENUES FISCAL YEARS 2002 THROUGH 2006

*Fiscal Year Ending September 30*

<b>Fiscal Year</b>	<b>Refuse Received (Tons)</b>	<b>Refuse Revenue</b>	<b>Electricity KWH Sold</b>	<b>Electricity Revenue</b>	<b>Total Revenue</b>
2006	495,794	\$ 18,548,982	\$ 236,383,704	\$ 26,619,653	\$ 45,168,635
2005	463,956	15,674,980	206,640,288	22,858,460	38,533,440
2004	490,196	16,025,984	233,061,840	25,199,728	41,225,712
2003	495,541	15,308,181	230,619,204	24,976,645	40,284,826
2002	504,626	14,969,191	236,730,000	25,638,110	40,607,301

**Source:** Southeast Resource Recovery Facility Authority

## SOUTHEAST RESOURCE RECOVERY FACILITY ANNUAL OPENING OPERATING FUND BALANCE

The Operating Fund of the Facility must begin each year with the amount set forth in the following schedule under the Joint Powers Agreement. This opening Operating Fund balance serves as the operating reserve for the Facility.

*Fiscal Year Ending September 30*

<b>Fiscal Year</b>	<b>Annual Opening Operating Fund Balance</b>
2006	\$30,600,000 <sup>(1)</sup>
2007	34,400,000
2008	35,000,000
2009	35,000,000
2010	34,000,000
2011	34,000,000
2012	33,000,000
2013	31,000,000
2014	29,000,000
2015	26,500,000
2016	23,500,000
2017	20,000,000
2018	16,300,000

<sup>(1)</sup> In accordance with Section 14, paragraph 8A of the SERRF Joint Power Agreement (JPA) between the City of Long Beach and the County Sanitation Districts, the General Manager decreased the FY 2006 opening fund balance by 10 percent. Fund balances for subsequent years remain unchanged.

**Source:** Joint Powers Authority

# WATER DEPARTMENT

## GENERAL CHARACTERISTICS

The following table sets forth certain statistical information relating to the City's existing water system, along with future additions, improvements to and extension of such system (Enterprise).

*Fiscal Year Ending September 30*

<b>Fiscal Year</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
Long Beach Population Served	490,166	491,564	487,305	487,026	473,363
<b>Total Water Sales (Acre-Feet) <sup>(1)</sup></b>	<b>72,449</b>	<b>70,464</b>	<b>76,943</b>	<b>72,681</b>	<b>75,204</b>
<b>Water Source (Millions/Gallons):</b>					
From Metropolitan Water District of					
Southern California Connections	13,454	14,358	14,761	14,567	14,246
From Enterprise Wells (Average)	8,199	6,955	8,354	7,445	8,479
From Reclamation Projects	1,383	1,366	1,956	1,671	1,790
<b>Total Sources</b>	<b>23,036</b>	<b>22,679</b>	<b>25,071</b>	<b>23,683</b>	<b>24,515</b>
Peak Day Distribution (Millions/Gallons)	80.8	88.6	112.2	89.0	87.0
Average Daily Distribution (Millions/Gallons)	62.6	58.4	63.3	60.3	62.3
<b>Average Daily Sales Per Capita (Gallons)</b>	<b>132.0</b>	<b>128.0</b>	<b>141.0</b>	<b>133.2</b>	<b>141.8</b>

<sup>(1)</sup> One Acre-Foot equals approximately 325,900 gallons.

**Source:** City of Long Beach - Water Department

## WATER PRODUCTION

The following table indicates the total water pumped from Enterprise wells and purchases of imported water from the Metropolitan Water District of Southern California (MWD) during the fiscal years shown (In acre-feet):

*Fiscal Year Ending September 30* *(In acre-feet)*

<b>Fiscal Year</b>	<b>Groundwater Pumped</b>	<b>MWD/WRD Storage<sup>(1)</sup></b>	<b>MWD SSP<sup>(2)</sup> Purchases</b>	<b>Total Local Production<sup>(3)</sup></b>	<b>MWD Retail Purchases</b>	<b>Total Potable Water</b>	<b>Total Reclaimed Water</b>	<b>Total Available</b>
2006	25,160	3,124	6,974	35,258	31,186	66,444	6,005	72,449
2005	21,610	3,652	11,942	37,204	29,017	66,221	4,243	70,464
2004 <sup>(4)</sup>	25,639	8,136	4,740	38,515	37,165	70,940	6,003	76,943
2003	22,849	4,864	5,722	33,435	34,119	67,554	5,127	72,681
2002	25,993	-	8,000	33,993	35,718	69,711	5,493	75,204

<sup>(1)</sup> MWD's In-lieu water stored in groundwater basin under MWD and Water Replenishment District (WRD) groundwater banking groundwater banking agreements, water provided by MWD.

<sup>(2)</sup> MWD season shift and long-term storage in-lieu program offers incentive to not pump groundwater at MWD SSS and Treated Replenishment rates.

<sup>(3)</sup> The local production amount is excluded from use of MWD when calculating readiness-to-serve charges.

<sup>(4)</sup> The local production and MWD retail purchases figures are revised to reflect impact of MWD SSP purchases figure.

**Source:** City of Long Beach - Water Department

## SALES OF WATER

### WATER SALES FOR FISCAL YEARS 2002 THROUGH 2006

The following table sets forth the volume of Enterprise water sales and corresponding revenues:

*Fiscal Year Ending September 30*

<b>Fiscal Year</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
Volume (Millions/Gallons)	\$23,608	\$22,961	\$25,071	\$23,683	\$24,515
<b>REVENUES (\$000's)</b>					
Water Sales	48,477	47,354	48,219	44,547	45,918
Service Charges	12,727	12,302	11,648	11,175	10,987
Other	4,870	4,866	3,318	3,223	2,065
<b>Total</b>	<b>\$66,074</b>	<b>\$64,522</b>	<b>\$63,185</b>	<b>\$58,945</b>	<b>\$58,970</b>

Source: City of Long Beach - Water Department - FY2006 Unaudited

## DAILY SERVICE AND QUANTITATIVE CHARGES

The following tables set forth the Enterprise's daily service charges and quantitative charges as of September 30, 2006. The City meters all domestic, commercial and industrial customers.

### DAILY SERVICE CHARGES

<b>Service Size (Inches)</b>	<b>Metered Daily Charges</b>	<b>Unmetered Daily Charge (Construction)</b>	<b>Private Fireline Daily Charge</b>
5/8 or 3/4	0.288	1.407	
1	0.435	2.380	
1 - 1/2	0.811	5.862	
2	1.202	9.223	0.602
3	2.489		1.028
4	3.937		1.519
6	7.257		2.590
8	11.390		3.796
10	18.654		5.135
12	22.799		6.473
16	37.733		9.491

Source: City of Long Beach -Water Department: Resolution No. WD - 1203

### QUANTITATIVE CHARGES

<b>Customer Type</b>	<b>Rate</b>
Single Family Residential:	\$1.515 for the first 5 billing units
	\$1.683 for the next 10 billing units
	\$2.525 over 15 billing units
Duplex and Multi-Family Residential:	\$1.515 for the first 2.5 billing units per dwelling unit
	\$1.683 for the next 6.5 billing units per dwelling unit
	\$2.525 over 9 billing units per dwelling unit
Irrigation and All Other Customers:	\$1.683 for all water

Source: City of Long Beach - Water Department - FY2006 Unaudited

## WATER SUMMARY OF REVENUES AND EXPENSES

*Fiscal Year Ending September 30*

*(Numbers in 000's)*

<b>Fiscal Year</b>	<b>2006</b>	<b>2005 <sup>(1)</sup></b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
<b>OPERATING REVENUE</b>					
Potable Water Sales	\$46,877	\$45,966	\$46,472	\$42,997	\$44,208
Reclaimed Water Sales	1,600	1,388	1,747	1,550	1,709
Service Charges	12,727	12,302	11,648	11,175	10,987
Other	4,870	4,866	3,318	3,223	2,066
<b>Total Operating Revenue</b>	<b>66,074</b>	<b>64,522</b>	<b>63,185</b>	<b>58,945</b>	<b>58,970</b>
<b>EXPENSES <sup>(2)</sup></b>					
Purchased Water	19,179	20,936	18,581	17,490	18,384
Operations & Maintenance <sup>(3)</sup>	33,917	29,210	29,171	27,164	29,953
<b>Total Operating Expenses</b>	<b>53,096</b>	<b>50,146</b>	<b>47,752</b>	<b>44,654</b>	<b>48,337</b>
<b>Net Revenues</b>	<b>\$12,978</b>	<b>\$14,376</b>	<b>\$15,433</b>	<b>\$14,291</b>	<b>\$10,633</b>
Debt Service	3,147	3,143	3,146	3,751	3,737
<b>Coverage</b>	<b>4.12x</b>	<b>4.10x</b>	<b>4.91x</b>	<b>3.81x</b>	<b>2.85x</b>
Customer Base	89	90	89	89	89

<sup>(1)</sup> Data updated to reflect audited FY2005 Comprehensive Annual Financial Report (CAFR) figures.

<sup>(2)</sup> Expenses exclude depreciation, amortization and other non-cash items.

<sup>(3)</sup> Operations & Maintenance includes annual operating costs, but excludes depreciation, amortization and other non-cash activity.

FY2005 figure adjusted down by \$1,497 due to reclassification of WRD pump tax as pre-paid expense.

**Source:** City of Long Beach - Water Department - FY 2006 Preliminary Unaudited

## WATER PROJECTED OPERATING RESULTS <sup>(1)</sup>

*Fiscal Year Ending September 30*

*(Numbers in \$000's)*

<b>Fiscal Year</b>	<b>2007 <sup>(2)</sup></b>	<b>2008 <sup>(2)</sup></b>	<b>2009 <sup>(2)</sup></b>	<b>2010 <sup>(2)</sup></b>	<b>2011 <sup>(2)</sup></b>
<b>OPERATING REVENUE</b>					
Potable Water Sales	\$51,861	\$54,195	\$56,634	\$59,182	\$61,845
Reclaimed Water Sales	1,936	2,023	2,114	2,209	2,309
Service Charges	13,277	13,874	14,499	15,151	15,833
Other	9,563	9,706	9,852	10,000	10,150
<b>Total Operating Revenue</b>	<b>\$76,637</b>	<b>\$78,037</b>	<b>\$82,089</b>	<b>\$87,139</b>	<b>\$91,610</b>
<b>EXPENSES</b>					
Purchased Water	22,083	24,161	25,352	26,599	27,919
Operations & Maintenance <sup>(3)</sup>	41,899	41,514	42,770	43,715	43,966
<b>Total Operating Expenses</b>	<b>\$63,982</b>	<b>\$65,675</b>	<b>\$68,122</b>	<b>\$70,314</b>	<b>\$71,885</b>
<b>Net Revenues</b>	<b>\$12,655</b>	<b>\$12,362</b>	<b>\$13,967</b>	<b>\$16,825</b>	<b>\$19,725</b>
Debt Service	3,447	3,397	3,808	3,845	3,849
<b>COVERAGE</b>	<b>3.67</b>	<b>3.64</b>	<b>3.67</b>	<b>4.38</b>	<b>5.12</b>
Capital Improvement Program	\$12,523	\$17,663	\$22,894	\$18,318	\$20,324
Reclaimed Water System <sup>(4)</sup>	\$2,019	\$596	\$2,899	\$4,584	\$5,370
Rate Increase	4.5%	4.5%	4.5%	4.5%	4.5%

<sup>(1)</sup> Amounts based on budget projections.

<sup>(2)</sup> Projections based on the following assumptions: Revenue: Potable water sales increase 1% each year, reclaimed water sales are based on projection if system expansion is completed; service charges and other revenues increase 1% each year. Expenses: Purchased water increase 1% each year, operations & maintenance increase 1% of each year plus additional cost of maintaining reclaimed system expansion.

<sup>(3)</sup> Operations & Maintenance includes annual operating costs, but excludes depreciation, amortization and other non-cash activity.

<sup>(4)</sup> Reclaimed water system capital improvements will be financed primarily by federal and state grants and low-interest loans. The debt service on the loans and the increase in operating and maintenance costs will be offset by increased reclaimed water sales.

**Source:** City of Long Beach - Water Department - FY 2006 Preliminary Unaudited



# TRUSTEE CONTACTS

ISSUE NAME / SECURITY TYPE	TRUSTEE CONTACT		
Series 2006 LBBFA Lease Revenue and Refunding Bonds (Rainbow Harbor Refinancing Project)	U.S. Bank	Daniel A. Norwick	(213) 615-6051
Series 2005C LBBFA Tax Allocation Revenue Bonds (Downtown and North Long Beach Redevelopment Project Areas)	The Bank of New York Trust Company	Teresa Petta	(213) 630-6246
Series 2005A Long Beach Bond Finance Authority (LBBFA) Limited Obligation Refunding Revenue Bonds (90-3)	The Bank of New York Trust Company	Teresa Petta	(213) 630-6246
Series 2005A&B Harbor Refunding Revenue Bonds	U.S. Bank	Daniel A. Norwick	(213) 615-6051
Series 2005A&B LBBFA Revenue Bonds (Redevelopment, Housing and Gas Utility Financing)	The Bank of New York Trust Company	Teresa Petta	(213) 630-6246
Series 2005A LBBFA Lease Revenue Refunding Bonds (Temple Willow)	The Bank of New York Trust Company	Teresa Petta	(213) 630-6246
Series 2004A Taxable Variable Rate Demand Revenue Bonds (Long Beach Towne Center Site Refinancing Project)	U.S. Bank	Daniel A. Norwick	(213) 615-6051
Series 2004A&B Harbor Revenue Refunding Bonds	U.S. Bank	Daniel A. Norwick	(213) 615-6051
Series 2003A (Non-AMT) & B (AMT) Southeast Resource Recovery Facility Authority Lease Revenue Bonds	The Bank of New York Trust Company	Teresa Petta	(213) 630-6246
Series 2003 Long Beach Bond Finance Authority Lease Revenue Bonds (Skylinks Golf Course Project)	The Bank of New York Trust Company	Teresa Petta	(213) 630-6246
Series 2002A&B Pension Obligation Taxable Refunding Bonds	The Bank of New York Trust Company	Teresa Petta	(213) 630-6246
Series 2002A Long Beach Bond Finance Authority Tax Allocation Bonds (Downtown, North Long Beach, Poly High, & West Beach Redevelopment Project Areas)	The Bank of New York Trust Company	Teresa Petta	(213) 630-6246
Series 2002B Long Beach Bond Finance Authority Tax Allocation Revenue Bonds (Downtown, West Long Beach Industrial Redevelopment Project Areas)	U.S. Bank	Daniel A. Norwick	(213) 615-6051
Series 2002 Long Beach Bond Finance Authority Lease Revenue Bonds (Public Safety Facilities Projects)	U.S. Bank	Daniel A. Norwick	(213) 615-6051
Series 2002A&B Harbor Revenue Bonds	U.S. Bank	Daniel A. Norwick	(213) 615-6051
Series 2001 Long Beach Bond Finance Authority Lease Revenue Refunding Bonds (Aquarium of the Pacific Project)	U.S. Bank	Daniel A. Norwick	(213) 615-6051
2001 Long Beach Bond Finance Authority Lease Revenue Bonds (Plaza Parking Facilities)	The Bank of New York Trust Company	Teresa Petta	(213) 630-6246
Series 2000A Harbor Revenue Bonds	U.S. Bank	Daniel A. Norwick	(213) 615-6051
Series 1999 Variable Rate Lease Revenue Bonds (Long Beach Museum of Art Project)	U.S. Bank	Daniel A. Norwick	(213) 615-6051
Series 1999A Lease Revenue Bonds (Rainbow Harbor Refinancing Project)	U.S. Bank	Daniel A. Norwick	(213) 615-6051
Series 1998B Lease Revenue and Refunding Bonds (Temple Willow Project)	U.S. Bank	Daniel A. Norwick	(213) 615-6051
Series 1998A Harbor Revenue Bonds	The Bank of New York Trust Company	Teresa Petta	(213) 630-6246
Series 1997A Lease Revenue and Refunding Bonds (Civic Center Project)	The Bank of New York Trust Company	Teresa Petta	(213) 630-6246
Series 1997A Water Revenue Refunding Bonds	City of Long Beach	David S. Nakamoto	(562) 570-6845
Series 1995 Marina Refunding Revenue Bonds	The Bank of New York Trust Company	Teresa Petta	(213) 630-6246
Series 1995 Pension Obligation Refunding Bonds	The Bank of New York Trust Company	Teresa Petta	(213) 630-6246
Series 1995 Southeast Resource Recovery Facility Lease Revenue Refunding Bonds	The Bank of New York Trust Company	Teresa Petta	(213) 630-6246
Series 1994 Marina Subordinate Revenue Bonds	City of Long Beach	David S. Nakamoto	(562) 570-6845
Series 1993 Gas Utility Revenue Bonds	JP Morgan-Chase	Kirk Dodson	(713) 216-0935
Series 1993 Airport COP	U.S. Bank	Daniel A. Norwick	(213) 615-6051
Series 1993 Belmont Shore Parking Meter Revenue Bonds	City of Long Beach	David S. Nakamoto	(562) 570-6845
Series 1992A Downtown Project Refunding Bonds	U.S. Bank	Daniel A. Norwick	(213) 615-6051
Series 1992 West Long Beach Industrial Tax Allocation Revenue Bonds	U.S. Bank	Daniel A. Norwick	(213) 615-6051

# CHANGE OF ADDRESS

PLEASE SEND CHANGE OF ADDRESS TO:

CITY OF LONG BEACH – TREASURER’S OFFICE  
333 West Ocean Blvd., 6<sup>th</sup> Floor  
Long Beach, CA 90802

Phone: (562) 570-6845  
Fax: (562) 570-5836

Email: [fm\\_treasury@longbeach.gov](mailto:fm_treasury@longbeach.gov)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Department: \_\_\_\_\_

Organization: \_\_\_\_\_

Street Address/P.O. Box: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

## COMMENTS

We also are interested in any comments you might have regarding the City of Long Beach’s Summary Financial Information Statement (FY 2006). Your feedback will assist us in continuing to provide information that meets your needs.

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